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## TERRORISM AND MARXISM

6

THE EDITORS

## POVERTY OF THE STATE

THOMAS BODENHEIMER

## LANGUAGE AND IMAGERY OF *CAPITAL*

ADELE GERAS

*Hayter, Tanzer, De Beauvoir Reviewed*

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## NOTES FROM THE EDITORS

In publishing the essay "Black Women in Revolt" in the October issue of MR, we noted that it was "part of a longer manuscript entitled *Lessons from the Damned*, written by a group of young blacks in a north-eastern suburban community." Since then we are glad to report that we have learned that the larger work will be published early next year by Times Change Press. MR readers will be notified as to price and exact publication date when these details are definite. Meanwhile, a free Times Change Press catalogue is available on request: the address is TCP, Penwell, Washington, N.J. 07882 (telephone 201-689-6659).

A remarkable experiment in left antiwar mass journalism and propaganda has been under way since the beginning of last spring's offensive by the Vietnamese liberation forces. It takes the form of a tabloid-form bi-weekly *War Bulletin* which is produced by a group in Berkeley, California, called the Asia Information Group. Here is the way one of the organizers describes the project: "The *War Bulletin* is written and produced by us here in Berkeley, where we print one version of the paper, devoting the back page to advertising local antiwar actions. It is also printed simultaneously in other cities (we air freight out the negatives) in other cities, which at this time [mid-October] include Chicago, New York, and Los

(Continued on inside back cover)

## TERRORISM AND MARXISM

Why is it that some of us refuse to join in the chorus of righteous indignation against "terrorism" which began to swell with the spread of skyjacking in the last year or so and reached a crescendo following the killings in Munich during the Olympic Games? Is it because we are lovers of violence? Is our moral sense so twisted that we can no longer distinguish right from wrong? Do we, by our silence, condone actions which every decent person ought to condemn?

To all these accusations we enter a blanket denial. We are haters of violence. For our moral sense we make no apologies. We believe we know what decent behavior is as well as most, and certainly a lot better than the leaders of the anti-terrorist chorus.

Who are these leaders? None other than Mr. Nixon and his chief spokesmen on international affairs, Mr. Rogers at the State Department and Mr. Bush at the United Nations. Their credentials as anti-terrorists are well known. Listen to *New York Times* editor Robert Kleiman, reviewing the authoritative Cornell study of the air war in Indochina:\*

The military uselessness of most of the bombing bears directly on the issue of American war crimes, something the Cornell scholars discuss but leave to the reader to judge. They note that detailed international law is lacking or outdated for air warfare.

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\* Review of *The Air War in Indochina*, revised edition, edited by Raphael Littauer and Norman Uphoff (Beacon Press), paperback \$3.95, in "The New York Times Book Review," Sunday, August 13, 1972.

But grave violations can be inferred from the principles that govern land and naval warfare. The most serious such violation, they point out, is of the rule requiring a reasonable "proportionality" in warfare between the damage caused and the military gain sought or anticipated. There is no sign in the air war report of the fear, hatred, and racial contempt for the Asian that played a role in the Mylai massacre by American ground troops. Nevertheless, the unstated conclusion that shrieks out of Cornell's deadpan study is that the American air war in South Vietnam has included a long list of both officially-sanctioned and officially-ignored aerial Mylais. (p. 14)

Somehow, even as the ferocity of the air war has mounted, the military and civilian leaders of the United States have managed to look the other way. A news report noted as early as mid-1966 that no regular tabulation of civilian casualties was being kept in South Vietnam. . . . Now, three years later [than 1969]—with civilian casualty estimates in South Vietnam exceeding the top figures of 1967-68—it is evident from the Cornell study that the indifference continues. "There are no spaces on bomb-damage assessment forms for reporting civilian damage," the Cornell study states. (p. 15)

Mr. Littauer and his colleagues finished their book before the case of General John D. Lavelle exposed the repeated bombings of North Vietnam—perhaps with wider military complicity—in violation of Presidential orders. But it would be unlikely to alter their conclusion that official American policy, rather than the aberration of individuals, is primarily to blame for the air war's "unjustified devastation, reprisals, collective penalties, and grave breaches of the proportionality rule, as well as widespread destruction of food crops"—all war crimes in land battle. (p. 15)

More than Indochina is involved. The 1969 Nixon Doctrine for all of Asia seeks to fulfill military commitments with air and sea power in support of local ground forces. Sound though this strategy may be for conventional war, it has little value in an insurgency. It can only lead again to the kind of tragedy whose epilogue is being acted out in this year's re-escalation of the air war: the destruction of Vietnam in the effort to "save" it. The bonus, so far, has proved illusory. The onus we will all live with for the rest of our lives. (p. 15)

Note well that in none of these passages is the question of the legal or moral justification for America's intervention in Vietnam even raised. Anyone in the least familiar with the history of the war knows that such justification is totally lack-

ing,\* but this is not the point here at issue. Even if one assumes, contrary to fact, that the U.S. purpose in Vietnam has been to repel aggression, Nixon (as well as Johnson before him) still stands convicted of terrorism on a scale comparable only to that of Hitler before and during the Second World War. And this is the man who now leads the anti-terrorist pack!

But perhaps we should not judge the cause by its supporters (though it can hardly be denied that this is normally a reliable criterion). It will be said, and rightly, that all states throughout history have lived by violence, and that no political movement seriously contending for state power has ever refused to resort to violence when the chips were down. Except for pure pacifists and non-resisters, therefore, the issue is not violence as such but the ends for which violence is used and the "proportionality" between the means and the ends. Once this is agreed to, we take our leave of the realm of morality and enter that of politics and ideology. And here we of the radical Left have nothing in common with Nixon and all the other defenders of the global status quo who are so uptight about forms of violence, denigrated by them as "terrorism," which are after all mere drops in the bucket compared to the ubiquitous violence which surrounds and pervades the lives of everyone in the world today. Would it not be at best ridiculous and at worst shameful for us to jump on their bandwagon and join their chorus?

But this does not touch the heart of the matter. Whatever *their* motives and intentions, and however firm our refusal to play *their* political game, we still owe it to ourselves to analyze the underlying problem in *our* terms and for *our* purposes. And here we need to remind ourselves of the basic Marxian position on violence, which was concisely and accurately summed up by the late French existentialist philosopher, Maurice Merleau-Ponty:

Marx makes a radical distinction between human life and animal life because man creates the means by which he lives, his culture, his history and thus gives proof of a capacity for initia-

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\* See Paul M. Sweezy, Leo Huberman, and Harry Magdoff, *Vietnam: The Endless War* (Monthly Review Press, 1970), especially chapters 1 and 5.

tive which is his absolute originality. Marxism opens up a horizon where "man is for man the supreme being." If Marx does not take this vision of man as an immediate rule of politics, the reason is that to teach nonviolence is to strengthen established violence, that is to say, a system of production which makes misery and war inevitable. Still, if one enters into the game of violence, one risks remaining there forever. Marxism's essential task is therefore to seek a violence which transcends itself on the way to the human future.\*

"Violence which transcends itself on the way to the human future"—what is this but revolutionary violence, violence which aims not to strengthen but to destroy established violence and to create a new system of production and society in which misery and war are not inevitable? Cynics will of course say that this is utopian dreaming, that thousands of years of history show that revolutions only replace one form of established violence by another, that the costs of violence to overthrow established violence are always greater than the gains. The distinguishing characteristic of the radical Left is precisely that we categorically reject this view. We believe that the gains of genuine revolutions typically outweigh the costs, and we find in very recent history, the history of the last half century, encouraging signs that mankind has now reached a stage where a new non-exploitative and nonviolent system of production and society is not only desirable but for the first time actually possible.

From this perspective, what is to be said about the "terrorism" of recent times? (We do not speak of the counter-terrorism of Israeli reprisals on neighboring Arab states, since this is obviously part and parcel of the system of established violence designed to maintain the status quo and must be judged accordingly.) Should we conclude that the skyjackers and the Arabs who attack Israel through individual acts are really practicing revolutionary violence, or must we interpret their behavior as arising from self-interest or emotional need to avenge deeply felt wrongs, or is some combination of these drives at work?

The answer doubtless varies from case to case, but since it is no part of our function as Marxists to diagnose individual

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\* Maurice Merleau-Ponty, *Humanisme et Terreur: Essai sur le Problème Communiste* (Paris, 1947), p. xiv.

cases, for analytical purposes we may assume that all "terrorist" acts fall into one category or the other, i.e., the personal-motivated or the revolutionary-motivated.

With regard to the former, only two things need to be said here: First, as long as we have a money-and-profit dominated economy and society, all forms of crime and violence which promise to pay (from skyjacking to drug pushing to hired assassination) will continue to be committed. They cannot be combated by moralizing and denunciation but only by making them less profitable.\* Second, as long as we have a society which both nationally and internationally is based upon and saturated with exploitation, oppression, and inequality, there will be frustrated and tortured people ready to sacrifice their lives to avenge themselves or their fellow victims. It is not for us to sit in judgment on their motives or their acts but only to do what we can to change the conditions which make such horrors inevitable.

With regard to revolutionary-motivated acts of terrorism, Marxism has a well-defined position which goes back to the early controversies between Marxists and anarchists. This position was succinctly expressed by China's Deputy Foreign Minister Chiao Kuan-hua in his speech to the UN General Assembly on October 3rd. The context of course is the current situation in the Middle East:

The Chinese government has always opposed assassination and hijacking of individuals as a means for waging political struggles and is also opposed to terrorist acts by individuals or a handful of people divorced from the masses, because they are harmful to the cause of national liberation and people's revolution. But we strongly condemn Israel for the recent barbarous aggression and massacres it has committed against Lebanon, Syria, and other Arab countries on the pretext of the "Munich incident." (*New York Times*, October 4, 1972).

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\* The means of doing this include increasing the risks of failure, which is the main function of law enforcement. From the criminal side the answer of course is to "buy into" the law enforcement machinery, a fact which makes corruption as normal and inevitable a feature of capitalism as any other form of money-making. Experience so far suggests that skyjacking does not readily lend itself to corruption (perhaps because the potential victims cannot be identified or limited in numbers), which in turn suggests that it may be a form of criminality with little or no future.

Here the implicit distinction between two forms of violence is clearly drawn. Revolutionary terrorism is rejected not as such but for a lack of "proportionality" between means and ends. Official violence designed to maintain the status quo, on the other hand, is unreservedly condemned. It needs only to be added that there may be cases—past, present, or future—in which terrorists are not divorced from the masses and their actions form an integral part of a meaningful struggle on behalf of "the cause of national liberation and people's revolution." Only detailed knowledge and careful analysis can determine whether or not this is the case. In the meantime, one can only say that on the historical record as a whole, the presumption is against the efficacy and appropriateness of individual acts of revolutionary terrorism.

(October 10, 1972)

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There were two "Reigns of Terror," if we would but remember and consider it; the one wrought murder in hot passions, the other in heartless cold blood; the one lasted mere months, the other had lasted a thousand years; the one inflicted death upon a thousand persons, the other upon a hundred million; but our shudders are all for the "horrors" of the minor Terror, the momentary Terror, so to speak; whereas, what is the horror of swift death by the ax compared with lifelong death from hunger, cold, insult, cruelty, and heartbreak? . . . A city cemetery could contain the coffins filled by that brief Terror which we have all been so diligently taught to shiver at and mourn over; but all France could hardly contain the coffins filled by that older and real Terror—that unspeakably bitter and awful Terror which none of us has been taught to see in its vastness or pity as it deserves.

—Mark Twain, *A Connecticut Yankee in King Arthur's Court*

# THE POVERTY OF THE STATE

BY THOMAS BODENHEIMER

State and local governments entered the 1970s in a state of deep crisis. All states made or considered welfare cuts in 1971. At least 20 state welfare departments began 1971 with deficits. Twenty-four state Medicaid programs were in the red, and many are denying health services to the poor. San Francisco county welfare recipients were cut back to \$88 per month. Twenty-six city recreation halls in Cleveland were closed, and 85 percent of recreation department employees were removed from the payroll. Mayor Lindsay laid off thousands of New York City employees, crippling welfare, health, lead-poisoning, and rat-control programs. In California, Connecticut, and other states, freezes went into effect on state hiring. In California, state employees were denied cost-of-living wage increases.

What is happening? Widespread cutbacks in state and local public services. Decreases in numbers of public employees. Freezes in public employee wages. What is the reaction to these cutbacks and freezes? Los Angeles teachers struck for one month in 1970 to fight against inadequate school funding. New York City's Brownsville broke out into riots in 1971 to protest 10 percent welfare cuts. Welfare-rights groups sued the state

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The author is a physician who works with the Medical Committee for Human Rights. He wishes to acknowledge his debt to James O'Connor's article, "The Fiscal Crisis of the State" (*Socialist Revolution*, January and March 1970) from which the basic ideas for this piece were derived.

of California for cutting health services. Public employee strikes for higher wages swept the country in 1970-1971: city workers in Atlanta and San Francisco; police in Pittsburgh, New York, and Milwaukee; sanitation workers in Seattle; postal workers across the country; teachers in Woburn, Scranton, Stamford, Newark, Philadelphia, Muskogee, Chicago, Gary, Toledo, Butte, and many other cities and towns.

The number of work stoppages in the government sector has increased tenfold in four years. Public employees are demanding decent wages. Employees and users of public services are protesting cutbacks.

The answer of state and local governments to these protests and strikes? The Governor of Connecticut stated that his state is "wallowing in debt." The Governor of Pennsylvania pushed for new taxes to avert bankruptcy. California and Michigan faced large budget deficits. Massachusetts expects a \$100 to \$200 million deficit in its Medicaid program. In city after city, state after state, the same answer: there is no money.

How do taxpayers respond to this crisis of their governments? In Youngstown, Ohio, and in suburbs of St. Louis, schools were closed for weeks because voters refused to approve tax levies to operate them. In Cleveland, voters turned down a city income-tax increase. In California, a medical-school bond issue was defeated. A virtual tax revolt is upon us—people are refusing to pay. More than 2,300 well-organized tax protest groups exist around the country with two million members.

People's lives are increasingly dependent upon the state (the public sector). Eleven million public workers are now employed at federal, state, and local levels. In addition, tens of millions of people rely on the government for educational and social welfare services: students needing an education, welfare recipients, and users of public hospitals and health facilities. This group is expanding with rising public school and college enrollments, a 22.5 percent increase in welfare recipients in 1970, and a growing governmental share of health-care financing. Thus we have uncounted millions of public clients—people receiving services from the state.

The cutbacks and freezes show that governments have

been less and less able to meet the needs of public workers and public clients. In order to maintain or improve services and to raise wages, taxes must be increased. Yet taxpayers are refusing to pay. These two trends—the rising demands of public workers and public clients, and the refusal of taxpayers to pay more—have placed the state in profound crisis. This crisis reflects a paradox of modern American society: in the richest country of the world the public-welfare sector is stricken by poverty.

To explain the poverty of the public-welfare sector, we must examine the relation between the government and the corporate rich. This relation is two-fold. First, the state collects relatively few taxes from the corporate rich, placing the major tax burden on working people and the poor; and these taxpayers are rightfully refusing to pay more. Secondly, the government provides huge subsidies to corporations, thereby using up a considerable portion of its budget in a way that does not benefit the general public. Public workers and clients are striking and protesting against the government's refusal to appropriate decent amounts for health, welfare, education, and recreation services.

Let us look at some details of this tax-and-subsidy system which impoverishes the public-welfare sector.

### **Taxation in America**

Taxes can be classified as regressive, proportional, or progressive, according to how they are shared by different income groups. A regressive tax hits the poor harder than the rich; if families with income under \$5,000 pay 10 percent of that income in a certain tax, whereas families over \$15,000 pay 5 percent of their income in the same tax, then that tax is regressive. A tax is proportional if all are taxed the same percentage of their incomes, e.g., a 10 percent across-the-board tax. A progressive tax makes rich people pay, for example, 25 percent of their income while poor people might pay 10 percent.

Equitable taxation makes people pay according to their ability. Rich people normally save a sizable part of their incomes, and thus a 50 percent tax does not cut into the amount

of necessities they can buy. Poor people spend all or most of their incomes on food, shelter, clothing, and transportation; and even a 5 percent tax becomes an enormous burden. Thus proportional taxation—such as a 10 percent tax for everyone—is not just; it hits the poor family very hard, yet is of little consequence to the rich. Only progressive taxation, with a substantial increase in tax rate as income rises, is truly equitable.

In fiscal year 1968-1969, federal, state, and local governments collected \$312.6 billion. These revenues include \$222.7 billion in taxes, \$46.6 billion in social insurance payments (such as social security), and \$42 billion in miscellaneous charges (such as state liquor sales, fines, etc.). The federal government collected \$199.6 billion of the total revenues. State and local governments collected \$59.8 billion and \$53.2 billion respectively. State governments also received \$17.8 billion in intergovernmental transfers from the federal government, and localities received \$26.1 billion in transfers.<sup>1</sup> \*

The *individual income tax* accounted for 36 percent of all tax revenues in 1968-1969.\*\* The great bulk of income tax payments—\$87 billion in that year—go to the federal government. People generally believe that this tax is truly progressive, with the rich paying significantly more than the poor. This belief is a myth. In fact, most people pay at approximately the same tax rate. And the super-rich frequently pay very little.

According to Brookings Institution economist Joseph Pechman, individuals or families earning between \$4,000 and \$5,000 pay an average of 5 percent of their incomes in federal income taxes.<sup>2</sup> Those making between \$6,000 and \$7,000 pay an average income tax of 7 percent; from \$8,000 to \$9,000 the average is 8 percent; the \$12,000 to \$13,000 bracket pays 10 percent; and the \$15,000 to \$20,000 category pays 12 percent. Pechman contends that rates rise from 23.5 percent on incomes between \$50,000 and \$75,000 to 34 percent on incomes over \$1 million. However, he fails to take into account that a large portion of capital gains to the rich is never reported

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\* Numbered notes will be found at the end of the article.

\*\* "Total tax revenues" will be taken to mean taxes plus social insurance payments. This total in 1968-1969 was \$269.3 billion.

as income. Thus the actual average tax rate for earners over \$50,000 is closer to 20 percent.<sup>3</sup>

Thus the federal income tax is progressive only to a very slight degree. And many wealthy people take advantage of enormous tax loopholes to pay little or no tax. In 1969, 56 people with incomes over \$1 million paid no federal income tax at all. The total amount of revenue lost to the federal government through loopholes to the rich is estimated at a staggering \$50 billion per year.<sup>4</sup> And the Tax Reform Act of 1969 did very little to correct these injustices.

The income tax is minimally progressive because it rests on the principle that some incomes are more taxable than others. Wages are taxed fully, income from stocks and other investments is taxed less, and income from municipal bonds is not taxed at all. Stern gives the following examples in *The Great Treasury Raid*: "Albert's \$7,000 was earned over a year's time in a steel mill. Albert pays \$1,282 in taxes. . . . Charles merely picked up the telephone, told his broker to sell some stock, and netted a \$7,000 profit. Charles's tax: \$526."<sup>5</sup> And Mrs. Horace Dodge, with \$1.5 million in yearly income from municipal bonds, paid no taxes at all. Thus the income tax structure invariably hurts working people, who get most of their income from wages.

*Social security* payments amounted to \$44 billion in 1968-1969, thus constituting 16 percent of total tax revenues. In describing social security, Pechman writes: "The payroll tax is the most burdensome tax levied by the federal government on the poor in the United States."<sup>6</sup> The following figures show why. A family with income of \$3,000 to \$4,000 pays an average of 11.3 percent of this income in social security payments. Families with incomes between \$5,000 and \$7,500 pay 6.8 percent in social security. Between \$7,500 and \$10,000, families pay 4.2 percent. From \$10,000 to \$15,000 the tax is only 2.1 percent. Over \$15,000 the rate is less than 1 percent.

Why is social security so regressive? First, it taxes only wages. Low-income people earn money only from wages, all of which is subject to the payroll tax. People with higher incomes may have non-wage sources of money which are not taxed. Secondly, there is a cutoff point at \$7,800; wages above

\$7,800 are not taxed. A person earning \$7,800 might pay \$390 in social security payments, while someone making \$15,600 also pays \$390. The first person pays a 5 percent tax whereas the second pays only 2.5 percent.

Thirdly, the employer's portion of social security is actually paid by the employee. Social security deducts a certain percentage of the employee's income, and also collects money from the employer for each person on the payroll. However, the employer does not really pay his share. He generally shifts his portion of the payroll tax to the employee by keeping wages down. According to Pechman, most economists believe that "a major share of a payroll tax is borne by the wage earner, and some believe that all of it rests on him. . . . While they [employers] very likely are unable to reduce wages immediately after imposition of the tax, they can do so effectively over time by not increasing wages as much as they would have if the tax had not been introduced." The only exception might be a strongly unionized plant where "unions may succeed in inducing management to grant a larger wage increase after imposition (or increase) of the payroll tax. In such circumstances, part or all of the payroll tax may be shifted to the consumer." Thus the employer does not pay social-security taxes. Usually the worker is taxed by receiving lower wages, and occasionally the consumer bears the burden through higher prices.

The *corporate income tax* accounts for 14 percent of total tax revenue, most going to the federal government. The federal corporate tax revenue in 1968-1969 was \$36.7 billion, with corporate profits before taxes totaling \$136 billion. Thus the corporations appear to be taxed at a 27 percent rate. However, economists generally believe that corporate stockholders do not pay this entire tax themselves. As in the case of social security, corporations shift part of the tax to workers by keeping wages down, and part to consumers by raising prices.

How do corporations do this? Let us suppose that there were no corporate tax, and that corporate profits were \$100 billion. Let us then suppose that the government imposes a corporate tax approximating \$40 billion. The corporations manage to increase their pre-tax profits to \$140 billion by raising prices and keeping wages down. In that case, after-tax

corporate profits are still \$100 billion. The corporations have paid no taxes but have shifted the burden to workers and consumers.

Suppose, however, that the corporations earn \$120 billion in pre-tax profits, a \$40 billion tax is imposed, and the corporations are able to raise their pre-tax profits only to \$140 billion. Net profit, then, is \$100 billion, and the corporations have lost \$20 billion in taxes. In this case, the corporations managed to shift only 50 percent of their taxes and must pay the remainder themselves.

In reality, it is not known exactly what percent of corporate taxes are shifted, but the figure can be conservatively estimated to be 50 percent. Corporations, then, are actually taxed not at a 27 percent rate, but closer to 15 percent.

Some corporations find ways to successfully avoid the corporate tax. Oil companies are a good example. In 1967, Texaco was taxed at 1.9 percent of its income, Standard Oil of California at 1.2 percent, and Atlantic-Richfield paid no tax at all. Between 1960 and 1968, corporate profits increased 91 percent, whereas corporate taxes dropped by \$5 billion.<sup>7</sup>

*Sales and excise taxes* brought in \$39 billion to all levels of government in 1968-1969. For state governments, these taxes make up 48 percent of tax revenue. Sales taxes hit people in proportion to the percentage of their income spent on the taxed items. A sales tax on bread or milk is extremely regressive since everyone must buy basic foods, and for the poor, food is a high proportion of the family budget. A sales tax on caviar, French champagne, or diamond rings is not regressive since poor people are not interested in such items. Some state sales taxes are approximately proportional, since food, gas, and electricity are not taxed. (Any proportional tax, remember, is not equitable since the poor are less able to afford the payments.) Other states, however, place a sales tax on all items, resulting in very regressive taxation.

Most unjust of all is the *property tax*. This levy brings in \$30 billion, making up 11 percent of all taxes. For local governments it becomes very important, accounting for 82 percent of tax revenues. (If one counts total local revenues, including transfer payments from federal and state governments, prop-

erty taxes make up 38 percent.) Almost all property taxes are paid by tenants and homeowners. The property tax on business establishments is generally assessed on amounts far lower than the real value of the property, and can be shifted to consumers. In apartment buildings the property tax is totally shifted to tenants in the form of higher rents. The extraordinary regressivity of the property tax is shown by these figures from Rostvold's study of California financing: families earning \$1,000 per year pay 13 percent of their income in property taxes; those making \$4,000 to \$5,000 pay 5 percent in property taxes; and families with incomes over \$15,000 pay only 2 percent in property taxes.<sup>8</sup> The richer the family, the lower the percentage of taxation. It is no surprise that local governments, financed heavily by property taxes, are facing a tax revolt from millions of tax-exploited, lower-middle-income homeowners.

What is the overall effect of taxation in America? One authoritative estimate is shown in the table on page 15.

As the table shows, taxes hit the poor far harder than the rich. Up to \$10,000 income, taxes are actually regressive. From \$10,000 to \$50,000 the rate is essentially proportional. Only the very rich appear to pay a substantially higher rate; however, the 45 percent figure may be far above the true figure because of already noted large amounts of unreported capital-gains income. In any case, the very rich pay at a lower rate than the very poor.

### **Government Subsidies to the Rich**

A sizable portion of the federal budget is spent to help private corporations increase their profits. These corporate subsidies total well over \$30 billion per year, according to a 1971 Associated Press survey.<sup>10</sup> The exact amount is hard to determine, since it depends on the definition of subsidy. The \$30-billion figure refers only to payments giving special advantages to business; if one includes all money passing from the government to private industry, the figure is far higher. In addition, governmental laws and regulations assist the corporate rich through franchises, licensing, contracts, etc. Without question, federal aid to private enterprise is more than twice what the government spends for all its welfare programs.

| <i>Money Income Levels<sup>9</sup></i> | <i>Overall Percentage<br/>Tax Rate</i> |
|----------------------------------------|----------------------------------------|
| Under \$2,000                          | 50.0                                   |
| \$ 2,000—3,999                         | 34.6                                   |
| \$ 4,000—5,999                         | 31.0                                   |
| \$ 6,000—7,999                         | 30.1                                   |
| \$ 8,000— 9,999                        | 29.2                                   |
| \$10,000—14,999                        | 29.8                                   |
| \$15,000—24,999                        | 30.0                                   |
| \$25,000—49,999                        | 32.8                                   |
| Over \$50,000                          | 45.0                                   |

A significant portion of the \$75-billion defense budget goes to private corporations. Some \$20 billion is spent on procurement of supplies—buying bombs, tanks, and planes from private companies. Defense research and development cost \$7 billion, which is also paid largely to private business.

Research and development in general is an important government subsidy; in 1969 the federal R&D expenditure topped \$17 billion, one tenth of the entire budget. Corporations are reluctant to spend their money for R&D, which is an expensive and risky undertaking. Thus the government pays, yet the profits deriving from newly developed products belong to the companies.

Large subsidies go to certain sectors of the economy which are "in trouble." Agriculture is the best known: farmers received between \$6 and \$9 billion in 1970. Not surprisingly, a large part of this money was paid to big corporate farms which were never in trouble to start with. In 1970 two huge California growers alone received \$4.4 million and \$3.3 million in subsidies, and 400 farmers were each paid over \$100,000. A recent limitation on subsidy payments is being successfully evaded by dividing large farms into smaller sections.

The purpose of the \$3 to \$4 billion foreign-aid program is not, as many Americans believe, to aid foreign countries; rather it serves to aid U.S. business to gain a foothold in those countries. The Agency for International Development (AID) lends money to underdeveloped countries, but that money is mostly used to buy American products. If AID finances a telephone network or potable water system in Peru, the telephone poles, wires, transformers, and water pipeline must be bought

from American, not Peruvian, companies. Often U.S. construction firms actually build the projects. In these and other ways, foreign aid is a mechanism for transferring money from taxpayers to U.S. business.

Pollution control is another corporate subsidy. Government pays to mop up after industries have destroyed the environment and gives financial incentives to encourage industries to stop polluting. Again, the cost of controlling pollution rests on the taxpayer rather than on the corporate polluter. And numerous other subsidies benefit the corporate rich: half a billion dollars to the shipping industry, millions for airlines and railroads, government training programs for corporate employees, loan guarantees, construction contracts, and so on.

In these and countless other ways, governments help private corporations to lower their costs and maximize their profits. Higher profits result in increased stockholders' dividends. And these dividends do not go to average Americans. The richest 1 percent of families in the country own over 80 percent of the stock. So corporate subsidies almost exclusively benefit the very rich.

Corporate subsidies, then, compete with health, education, and welfare services and with public workers' salaries for the scarce tax dollars. Coupled with a tax system that favors the rich and lays its major burden on working, poor, and middle-class people, corporate subsidies become just another reason why the "impoverished" government cannot meet the needs of its workers and its clients.

The tax and subsidy system, then, tends to transfer money from the average taxpayer to a handful of wealthy corporate stockholders. It is precisely this system that helps to perpetuate a radically lopsided distribution of income in the United States. In 1967, the highest 10 percent of the population received 28 percent of total national income, whereas the lowest 10 percent received less than 2 percent.<sup>11</sup> This inequality has not changed since 1910.<sup>12</sup> The distribution of wealth (income, plus assets such as real estate, stocks, bonds, savings, etc.) is much more favorable for the rich. The top 10 percent of the population owns 60 percent of the country's wealth, with the super-rich 1.6 percent owning 32 percent of all assets.<sup>13</sup> One half of the population, on the other hand, owns virtually nothing.

As Kolko puts it in *Wealth and Power in America*, "We have not taxed the rich to give to the poor; we have taxed both the rich and the poor and . . . contributed only a small fraction of the proceeds to the welfare of the poor."<sup>14</sup>

### Implications for Local Organizing

If all poor, working-class, and middle-class people were united and aware of the government's role in perpetuating the maldistribution of wealth in society, the inequality would not be allowed to continue. But these groups have defined themselves narrowly as workers, clients, or taxpayers and are frequently pitted against each other.

Competition is particularly evident on local issues. In municipal hospitals, for example, employees may strike for wage increases. The strike threatens patients, whose health care—a life-and-death matter—is temporarily halted. Likewise, taxpayers are angered, since higher wages mean higher taxes. Teachers' strikes create similar feelings in parents and taxpayers.

Disunity among workers, clients, and taxpayers also springs up when public clients demand improved services. Night and weekend clinics at a health center mean night and weekend work, which is not desired by most employees. Workers are afraid that client demands might mean speeded-up working conditions, since no new workers might be hired. Community control over hiring becomes a major threat to workers who fear the loss of their jobs. And taxpayers regard demands for increased services as equivalent to tax increases.

Again and again, the triad of public worker, public client, and taxpayer finds the members at odds with one another. However, this competition is not necessary. It is caused by the poverty of the state. Worker, client, and taxpayer fight over the few crumbs begrudgingly dropped into the public sector by the corporate giants, who greedily consume their multibillion dollar fare of subsidies and tax breaks. Were the exploited triad to combine and demand its share, there would be plenty of money and services to go around.

Groups engaged in local struggle must understand the potential conflicts and must develop demands that encourage unity. Every wage battle by public workers should include a

demand for financing increased wages by progressive taxation. Every drive for increased services spearheaded by the community should include demands for more employees to carry out the services and a proposal for tax reform to pay for them. Workers' demands must include provisions for improved services. Clients' demands must speak for better wages and working conditions for workers. Demands must always include tax-reform proposals, especially at the local level where the regressive property tax finances many programs.

Unity among workers, clients, and taxpayers requires an understanding of why the public-welfare sector is so poor. The reason, of course, is the regressive character of the tax system and the payment of large corporate subsidies. With this understanding, the three groups can unite around programs that call for more and better services, improved wages and working conditions, paid for in a manner that more equitably taxes the rich and the corporations.

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# THE LANGUAGE AND IMAGERY OF CAPITAL (VOLUME ONE)

BY ADELE GERAS

*Capital*, particularly the first volume, was referred to by Marx himself (in a letter to Engels dated August 5, 1865) as a "work of art." The truth of this assertion and of Marx's earlier claim that "it has the merit of making an artistic whole," is clear to anyone coming to the work for the first time, even if only in translation. It is therefore the more remarkable that Marx's artistic achievement has received so little critical attention. Franz Mehring wrote an article tracing the evolution of Marx's metaphors from those of earlier German writers, and in particular from Goethe; and Edmund Wilson, in a section of *To the Finland Station* ("The Poet of Commodities"), writes of his gifts as a satirist and of his "apocalyptic vision," but this is a short treatment rather than a detailed analysis. And yet, if Marx conceived the work as an artistic whole, justice demands that it be criticized as such.

It must, however, be remembered that *Capital* is not a work of the imagination, and that therefore the criteria applied to its style and imagery must differ from those one would apply to a novel, poem, or play. This means that whatever metaphors, similes, personifications, and so on exist in the work must be seen in their intellectual context, as elements that furnish an

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All page references in the text are to Karl Marx, *Capital*, vol. 1, trans. Moore and Aveling (London: Lawrence and Wishart, 1965).

important dimension in the exposition of theory or the presentation of argument. "Philosophers have only *interpreted* the world in different ways; the point is to change it" (Eleventh Thesis on Feuerbach) stands carved on Marx's tomb in London, and the function of the imagery, working together with a logical revelation of the inner workings of capitalist production, is to engage our feelings, to bring us to a realization of the need for change.

If, as we are told in *To the Finland Station*, Marx is as great a master of satire as Swift, we must nevertheless concede that the aims and intentions of the two authors are vastly different. Certainly Marx is aroused to feelings of anger and indignation equal in intensity to those of Swift, but he is not primarily a satirist, nor, of course, is *Capital* a satire. Marx never depends on irony to make his case, as Swift does in, for example, *A Modest Proposal*. Rather, he uses the well-known techniques of satire—irony, ridicule, invective, indignation, sarcasm—to reinforce his logical arguments, to expose the imprecision and often the falsity of bourgeois thought, and to reveal what Mehring calls "the tricks and frauds used by the intellectual hod-carriers of capitalism." Satire is a form of humor and frequently achieves its aim by opening the object of the satire to a corrective laughter. It is undeniable that the author of *Capital* makes us smile and even laugh at times, and yet one must not for this reason dismiss the irony as mere frivolous "jokes." In his introduction to the second and third volumes of *The History of the Russian Revolution*, Trotsky says of his own writing—and it applies with equal force to Marx's use of satire:

Certain critics from the democratic camp [i.e., Social Democrats and Mensheviks] inclined to operate with the help of indirect evidence, have looked upon the "ironic" attitude of the author to the compromise leaders as the expression of an undue subjectivism vitiating the scientific character of his exposition. We venture to regard this criterion as unconvincing. Spinoza's principle, "not to weep or laugh but to understand," gives warning against inappropriate laughter and untimely tears. It does not deprive a man, even though he be an historian of the right, of his share of tears and laughter when justified by a correct understanding of the material itself. That purely individualistic irony which

spreads out like a smoke of indifference over the whole effort and intention of mankind is the worst form of snobbism. It rings false alike in artistic creation and works of history. But there is an irony deep laid in the very relations of life. It is the duty of the historian as of the artist to bring it to the surface.

A failure of correspondence between subjective and objective is, generally speaking, the fountain-source of the comic as also the tragic in both life and art. . . . People and parties are heroic and comic not in themselves but in their relations to circumstances.

As Trotsky points out here, and as Henri Bergson has pointed out in *Le Rire*, one of the primary sources of laughter arises out of a person's *raideur*, or stiffness—his inability to adapt to circumstances or situations as they really are. The laughter aroused by the sight of an absent-minded professor dipping his pen into an inkwell which is no longer there (an example Bergson himself uses) is different from our disgust at “self-denying Mr. Glass-Capital” who, “primed with port wine, reels out of his club homeward, droning out idiotically ‘Britons never, never shall be slaves,’ ” (p. 264, fn) while children are working interminable hours, but the discrepancy between real conditions and imagined ones is still there—“the fountain-source of the comic as also the tragic.” However, between Bergson's professor and Marx's reeling bourgeois we may discern a difference in importance, for whereas the social consequences of missing the inkwell are minimal and without significance, the blinkered attitude of the Briton can be measured in human suffering. And so it is worth pointing out that Marx's irony is often at the furthest extremity of the comic—bordering on the tragic, and producing in the reader laughter of a totally different order. While remarking the difference of degree between the purely comic and the deeply ironic, it is still evident that “a failure of correspondence between subjective and objective” obtains in both cases. Very seldom are the gentlemen described by Marx as “members of the SPCA and in the odor of sanctity to boot” (p. 234) knowingly dishonest or cruel. Rather, because they form a part of specific social relations in which profits can only be made by fostering illusions as to the nature of the system, they are blindly unaware of the underlying reality. Their entire perspective is warped.

The lack of understanding of both economic and social

laws, shown by the apologists of the nineteenth-century bourgeoisie, calls forth from Marx a barrage of ridicule and sarcasm. The following statement (about J. S. Mill) sums up his general attitude: "On the level plain, simple mounds look like hills; and the imbecile flatness of the present bourgeoisie is to be measured by the altitude of its great intellects." (p. 518) But this is mild compared with the lambastings dealt out to the "arch-philistine, Jeremy Bentham" ("that insipid, pedantic, leather-tongued oracle of the ordinary bourgeois intelligence of the nineteenth century") (p. 609); to Malthus, Macaulay ("this same Scotch sycophant and fine talker . . . what eyes and especially what ears!") (p. 274, fn); Nassau W. Senior ("the bel-esprit of English Economists") (p. 224), whose "analysis" is awarded an eloquent exclamation mark; Benjamin Thompson ("His *Essays* are a cookery-book with receipts of all kinds for replacing by some succedaneum the ordinary dear food of the laborer") (p. 601); and Roscher (whose muddled thinking draws this from Marx: "More! Less! Not sufficiently! So far! Not altogether! What clearness and precision of ideas and language!") (p. 92) and many others. If this sarcasm is reserved for the "simple mounds" on the flat, bourgeois plain, the capitalists themselves are dealt with no less gently. That men can actually *debate* the effect of night-work on children's health "shows plainly how capitalist production acts on the brain-functions of capitalists and their retainers" (p. 261), and Marx's parentheses interspersed with his quotations from factory owners—"What cynical naïveté. . . . What mealy-mouthed phraseology!" . . . "Ellis Brown and Co. might fall into the fatal perplexity of being obliged to pay labor-power its full value" (p. 261)—all point out the inhumanity and lack of sensitivity of these Sabbatarian, Christian gentlemen whose "machine is always stopped for dinner. (What generosity!)" (p. 248) At least during ancient times the existence of a slave class permitted the growth of an intelligent and perceptive minority, but

O, those heathens! They understood . . . nothing of Political Economy and Christianity. . . . They perhaps excused the slavery of one on the ground that it was a means to the full development of another. But to preach slavery of the masses in order that a few crude and half-educated parvenus might become "eminent spin-

ners," "extensive sausage-makers," and "influential shoe-black dealers," to do this they lacked the bump of Christianity. (pp. 408-409)

Christianity itself comes in for a good share of irony. Marx's "extensive sausage-makers," who extract from their workers the maximum of surplus-value and permit them the minimum of leisure time, either for sleep or anything else, are always Christians, and the discrepancy between their principles (however ideological) and their practice is constantly exposed. A fine example of Marx's method of exposure occurs in a footnote:

The accused gentlemen affirm in lieu of taking an oath—as Quakers they were too scrupulously religious to take an oath—that they had in their great compassion for the unhappy children allowed them four hours for sleep, but the obstinate children . . . would not go to bed. The Quaker gentlemen were mulcted in £20. Dryden anticipated these gentry:

"Fox full fraught in seeming sanctity  
That feared an oath, but like the devil would lie,  
That looked like Lent, and had the holy leer,  
And durst not sin! before he said his prayer!" (p. 242)

All satire takes a moral position. That Marx thought capitalism was an evil system, that he abhorred the excesses of cruelty perpetrated in its name, that his aim was to expose and condemn and change is never in question. Not only in what we may call the satirical parts of the work, not only in his imagery, does his attitude make itself felt. Even those sections of the work in which the structure of capitalism and of social relations under capitalism is analyzed are never merely a description; they are also a critique, but explicit moralizing is almost entirely absent from the work. It is through satire and imagery that Marx makes clear his loathing, explicitly condemns and exhorts. In *Capital* they carry the burden of the commitment and provide a further moral dimension to the critical attitude expressed in the analysis of the workings of capitalist society. In the quotation which follows, Marx has inserted his ironic remarks into the body of a work he is himself quoting:

If [the machines] were kept up there would be a waste of fuel (instead of, as now, a waste of the living substance of the workers), and if they were not, there would be loss of time in laying the fires and getting the heat up (whilst the loss of sleeping

time, even to children of eight, is a gain of working time for the Sanderson tribe) and the furnaces themselves would suffer from changes of temperature (whilst those same furnaces suffer nothing from the day and night change of labor!). (p. 263)

This technique is most often used in such chapters as chapter 10, "The Working Day," which in itself is the best example of what may be called Marx's "documentary" method.

The first nine chapters of *Capital* deal, on the whole, with abstract concepts. These are explained, processes are analyzed, and conclusions are reached; but there is no attempt to show the actual historical results of the processes revealed. In chapter 10, what we see is a living proof of conclusions reached theoretically. Marx has demonstrated by conceptual argument that it is in the interest of the capitalist to extract as much surplus-labor as possible from the laborer, and in this chapter he documents the struggle between capital and labor, the latter seeking to shorten, the former to lengthen, the working day. This he does by letting the facts speak for themselves, quoting Parliamentary Blue-books, pamphlets, doctors, factory inspectors, politicians, newspapers and documents, and using statistical tables and personal accounts to present a composite picture—a kind of montage—of conditions in nineteenth-century England.

The documentary technique was also used by Engels in *The Condition of the Working-Class in England*. In fact this work is a documentary, but where Engels is eager and vociferous in his condemnation and indignation, Marx relies on the cumulative effect of more and still more factual evidence. He comments with an irony far more damning than a straightforward expression of impassioned horror would be:

There followed on the birth of machinism and modern industry in the last third of the eighteenth century, a violent encroachment like that of an avalanche in its intensity and extent. All bounds of morals and nature, age and sex, day and night were broken down. Even the ideas of day and night, of rustic simplicity in the old statutes, became so confused that an English judge as late as 1860 needed a quite Talmudic sagacity to explain judicially what was day and what was night. Capital celebrated its orgies. (p. 278)

These "orgies" are then presented to us in detail. Scenes which, as Marx himself said, would not disgrace Dante's vision of the

Inferno follow on one another, as Marx describes in the words of contemporary observers the conditions which obtain under capitalism. Bakers, lace-makers, potters—all are shown to be living in a world which robs human beings of their humanity. It must be said, however, that if the documentary technique serves a descriptive purpose, Marx's analyses rule out any possibility that the reader will attribute such conditions to the ill-will, greed, or dishonesty of individuals.

In chapter 10 we are shown the ways in which capital treats labor, the use it makes of labor, the means by which labor is exploited; and it is perhaps fitting that the most compelling images in the work are those Marx uses to characterize capital itself. Parallel with the theoretical presentation of surplus value (in which it is declared that the more unpaid labor the capitalist can extract from the worker the greater his profit) and the affirmation that capital will ever try to increase its own profits, parallel with the scientific disclosure of the workings of capitalist production, Marx uses a series of images for capital whose unifying theme is blood. Words in every language have, as well as a meaning, a connotative function; they carry associations. Blood is the source of life and also evokes the image of death; but Marx rarely describes capital as simply slaughtering labor, as having labor's blood on its hands. Rather, it is something infinitely more gruesome and cannibalistic, something which feeds on blood in order to ensure its own strength. "Capital is dead labor that, vampire-like, only lives by sucking living labor, and lives the more, the more labor it sucks." (p. 233)

The vampire is perhaps the dominant image for capital, and the verbs Marx uses constantly to describe the capitalist processes which "absorb living labor" (p. 310) and "swallow up unpaid labor" (p. 310) evoke the vampire image even without using the word. Marx refers to the "vampire-thirst for the living blood of labor" (p. 256), and it is precisely this insatiability of the vampire, its capacity for more and more blood, which is its point of similarity with capital. The image compresses and focuses on the truth in its most striking essence. Marx also refers to the "werewolf hunger" (p. 265) of capital, and since he is concerned throughout the work with revealing

the reality that lies behind surface appearances, it is fitting that the images he chooses, of vampire and werewolf, should be creatures that are terrifying because of their illusory humanness.

A word should be said here about the originality of Marx's metaphors. As well as the vampire-werewolf images, capital is represented as a "Juggernaut car" (pp. 280, 645); as Shylock demanding his pound of flesh (p. 287); and as an observer of labor, with a "lynx-eye." (p. 287) Medieval Germanic legends, Shakespeare, and Indian religion provide Marx with ready-made images; but the artistic process is largely one of selection, and Marx uses these images from various cultures precisely because they carry a long history of associations which will ensure a bond of experience and memory between the writer and the reader. The use of familiar images or symbols in no way indicates paucity of invention on the part of a writer; rather, as T. S. Eliot says in "Tradition and the Individual Talent," creative writing involves a sense of the "presentness" and actuality of the past, a knowledge and consciousness of the "main current," an individual use of existing traditions.

When Marx defines value as congealed labor, he is in a certain sense already linking the concept of labor with the images of blood which are to come, but he is concerned to show (especially in the first section of *Capital*) that value is not a physical property of certain substances, not something indefinable and strange, but rather a congelation of human labor. Thus the chemical and alchemical images which abound in his analysis of commodities emphasize both the apparently magical aspect of gold or money and the scientifically explicable nature of both commodities and value. Commodities are "crystals of a social substance" (p. 36), circulation is "the great social retort into which everything is thrown, to come out again as a gold-crystal," (p. 132), and money "appears in the first phase as a solid crystal of value . . . into which the commodity eagerly solidifies, and in the second, dissolves into the mere transient equivalent-form destined to be replaced by a use-value." (pp. 111-112)

Marx makes full use of personification, endowing the most ordinary objects with a life of their own, in order (1) to ex-

press the nature of value as being somewhere other than in physical objects themselves (“... its sublime reality as value is not the same as its buckram body”; [p. 52] and “... the leap taken by value from the body of the commodity into the body of gold is ... the *salto mortale* of the commodity” [p. 106]) and (2) to bring to life and dramatize the metamorphoses of the circulation process (“circulation sweats money at every pore” [p. 113]) and the nature of the commodity. “A born leveller and cynic, it is always ready to exchange not only soul, but body, with any and every commodity, be the same more repulsive than Maritornes herself.”) (p. 85) If it was Marx’s intention to disabuse his readers as to the strange and wonderful natures of commodities, of money and value, it is undeniable that the images he uses during the process of revelation have a certain ironic romance:

Modern society, which, soon after its birth, pulled Plutus by the hair of his head from the bowels of the earth, greets gold as its Holy Grail, as the glittering incarnation of the very principle of its own life. (pp. 132-133)

The hoarder is described as being engaged in the “Sisyphus-like labor of accumulating. It is with him as it is with a conqueror who sees in every new country annexed, only a new boundary.” (p. 133)

Contrast as a purely literary technique is frequently used by Marx. In the first section of the work he contrasts symbols of value and real value, the real and the illusory nature of commodities. What is interesting is not so much his contrasting images but the fact that the most powerful imagistic contrasts reveal the contradictions inherent in capitalist production. The transition from the sphere of circulation, where all is free and fair, where the laborer *chooses* to sell his labor-power for an equivalent sum, to the sphere of production where, as we are shown, the laborer is *forced* to sell his labor-power for less than the value it ultimately produces, is described by Marx in a fierce and bitter image. The realm of circulation is “a very Eden of the innate rights of man” where “Freedom, Equality, Property, and Bentham” hold sway. (p. 176) We are shown Mr. Moneybags, striding purposefully off to the sphere of production, “smirking and intent on business” while the possessor

of labor-power follows, "timid and holding back, like one who is bringing his own hide to market and has nothing to expect but—a hiding." (p. 176)

It is the final pun (not normally used as a literary technique with such force) that really polarizes the contrast between "Eden" and the sphere of production which, in the section on the Production of Absolute Surplus Value, Marx goes on to explain and analyze. A further example of Marx's use of contrast to underline contradiction is to be found in the section on "Machinery and Modern Industry." Machinery is seen by Marx as a tremendous *potential* force for lightening the load of the laborer, one which under socialism would be employed by men and women for their own benefit. He also sees it as it is used under capitalism—a force destructive of labor itself, one which denies the humanity of working people by reducing them to mere appendages, the servants and not the masters of the machines. The two quotations which follow reveal the basic contradiction: in the first, the emphasis is on the size, strength, and potential of the machines; in the second, this same force is described as it is seen under prevailing conditions.

(1) The mechanical lathe is only a cyclopean reproduction of the ordinary foot-lathe; the planing machine, an iron carpenter, that works on iron with the same tools that the human carpenter employs on wood; the instrument that, on the London wharves, cuts the veneers is a gigantic razor; the tool of the shearing machine, which shears iron as easily as a tailor's scissors cuts out cloth, is a monster pair of scissors; and the steam-hammer works with an ordinary hammer head, but of such a weight that Thor himself could not wield it. (p. 385)

(2) Here we have, in place of the isolated machine, a mechanical monster whose body fills whole factories, and whose demon power, at first veiled under the slow and measured motion of his giant limbs, at length breaks out into the fast and furious whirl of his countless working organs. (pp. 381-382)

In the following quotation, Marx makes quite explicit, in a series of antitheses, the contradictions revealed in the above quotations:

Machinery considered alone shortens the hours of labor, but . . . in the service of capital lengthens them; . . . in itself it lightens labor, but when employed by capital, heightens the intensity

of labor; . . . in itself it is a victory of man over the forces of nature, but in the hands of capital makes man the slave of those forces; . . . in itself it increases the wealth of the producers, but in the hands of capital it makes them paupers. (p. 441)

Any discussion of Marx's style must take note of his eloquence and the dignity of his tone. It has been said that Marx used language incisively and often wittily, but no direct mention has been made of the elevated style of much of his writing. The three quotations above are all excellent examples of the grandeur of Marx's prose; but committed as he was to the class struggle, the revolutionary overthrow of capitalism, and the belief that "force is the midwife of every old society pregnant with a new one," (p. 751) the full impact of his revolutionary fervor is felt in such statements as: "Thus the integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated." (p. 763)

Volume one of *Capital* is simultaneously an exposition of theory, a view of human history, and a passionate denunciation of capitalism. Covering nearly a thousand pages, it reveals the depth and breadth of Marx's own readings in almost every European culture, his understanding of the natural sciences and economics, and his awareness of the passion of personal interest. The most obvious stylistic tendencies which emerge are, on the one hand, a great satirical gift, a masterly handling of irony and invective, ridicule and indignation, and on the other, an eloquence, a force of lamentation and exhortation which never degenerates into the sentimental but moves through the work with what Edmund Wilson calls . . . "the momentum of an epic."

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# BOOKS

## JOURNEY TO THE ENDS OF THE WORLD BANK

By Edward Nell and Margaret Dunbar

*Aid as Imperialism* by Teresa Hayter. London and New York: Penguin Books, 1971; paperback, \$1.45.

This book is a well-written, well-documented, insider's account of what the aid-giving agencies do. It is also a personal case history which tells that recurring story first portrayed by Kafka. We have H instead of K, and this time the court is the World Bank. The story begins in the Overseas Development Institute—a pleasant bureaucracy in London where H is working. She is under the impression that she is to make a study of the international aid agencies and what they are doing in Latin America for the good of everyone. She assumes, as she has been told, that “the well-being of the peoples of the Third World was, or at least could become, the primary consideration in aid policies.” Aid policies, of course, involve more than a simple transfer of resources. There is also “leverage,” pressure on recipients to adopt sensible, efficient, economic reforms. This, because it can accomplish so much, becomes the focus of her study. But it also leads her away from her comfortable illusions to a realization that the directors and staff of the aid-giving institutions live far from the realities of the people of the Third World. Worse, they apply leverage in the interest of the advanced countries and big corporations, while the “dialogues” they believe they have with the Latin American governments are in fact the lectures of self-appointed schoolmasters. The recipient countries may listen and learn, or flunk out of college and have to make their own way, outside. As H gradually

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comes to these realizations, however, the schoolmasters increasingly turn their attention to her. She begins to hear the lectures firsthand and, like the Third World, to feel the force of their disapproval, until at last she is cut off without a penny. Like development, research is underwritten by capitalism.

There are three main aiding agencies—the International Monetary Fund (IMF), the World Bank, and the U.S. Agency for International Development (AID)—born of the Second World War, conceived by a strong and powerful North America to rebuild the war-ravaged countries of Europe, to make them well and fit again for the good of the (Western) world. Now the agencies have turned to other, poorer relations, and in doing so have found new problems. These “underdeveloped” countries cannot be treated in the same way. The old countries understood. They had made America great; and now, in their disarray, America was helping to put them together again. Like father and son, like businessmen, they spoke the same language. If you want a loan, you go to the IMF and arrange a “program for financial stability.” If you want to grow, you want to “promote investment,” so you go to the World Bank. Or if you are a country that wants to improve living standards, perhaps you will go to AID and get financial backing for an “educational program.”

It was with these “divergences” of function and aim between the three agencies that H started her study. She saw herself as a “structuralist,” one who thought development followed from reforming the structure of society. Financial stability was important, but she found the IMF’s approach rigid and unimaginative, nothing but monetary squeezes and austerity programs. At least the World Bank and AID seemed to recognize that stability might sometimes be regarded as a consequence, rather than a precondition, of economic growth and social reform.

But as H starts her journey through agency offices and files, and later through the Latin American countries receiving aid, she begins to discover that the “differences” between policies are minor in respect to their overall agreement. First of all, the United States, being the biggest subscriber to them all, tends to have the loudest voice. She notices that the IMF and the World Bank share a building in Washington. Finally, when it came to dollars and cents, balance-of-payment problems, and inflation—and all four countries she visited (Colombia, Chile, Brazil, and Peru) had these problems—the three agencies could be seen to be working together. Always the first objective was to limit increases in the general level of demand. While the IMF would call for a

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monetary squeeze, the other agencies would scrutinize public expenditure. The World Bank turns out to be interested specifically in encouraging private international investment, and in seeing that governments maintain service payments on their external debts. Because they absorb revenue, the Bank opposes large government expenditures on administration and in "non-productive" areas, like housing, schools, welfare, and the like. AID, however, displays interest in the reforms talked about in the Alliance for Progress, and offers vestigial support for projects in the field of "education." But its root concern, it appears, is and has been with import liberalization. Moreover, it often finds itself pressing the interests of particular U.S. firms (airplanes, telephones, shipping lines, fishing rights, and so on) and considering the "security" problems of the United States. Where "security" is involved, AID may be quite lenient and broad-minded in interpreting "good performance"—as in Vietnam.

H is struck by anomalies. How is it that the agencies can push for deflation to correct a balance-of-payment deficit and *at the same time* for import liberalization and the removal of exchange controls? The one surely would tend to cancel the other. Even worse, deflation tends to hurt the wage-earning and poorer classes; while import liberalization and the removal of exchange controls tend to benefit the well-to-do and the propertied, along with the foreign enterprises operating in the country. If the agencies are truly concerned with balance and stabilization, why do they advocate import liberalization? If they are concerned with development and reform, why do they advocate measures which hurt the poorest most? Or again, the agencies, especially the World Bank, have repeatedly urged the removal of subsidies and price controls. These, they argue, introduce "price distortions." Distortions from what? Can they seriously believe that markets in these countries, in the absence of government legislation and control, would behave like the perfect models of abstract theory?

H begins to see where the World Bank's "liberal" approach must lead. A team is sent out to gather information about a country's resources, standard of education, agriculture, industry, financial situation, and so on; and to create a "program," or several projects, which must fit into the larger political and economic whole. She begins to ask why these countries were financially weak, why the Bank became involved in the first place; and her perspective broadens to include the enormous waste inherent in widespread unemployment, the irrelevance of expensive new specialist hospitals when the basic health facilities for millions of

peasants suffering from endemic diseases are lacking, the absurdity of setting up mechanized livestock farms from which only the large landowner and the middleman may profit, to the exclusion of the working peasant. "Irrelevant"? "Absurd"? Perhaps not. H begins to understand.

When the people at the World Bank talk of increasing agricultural output and using human resources "effectively," they are talking in terms of the country's place on the balance sheets of the world money market: it's *there*, not in terms of the lives of the people, where a program is judged effective or "wasteful." But send an intelligent, conscientious emissary out there and tell her to investigate means of increasing wealth and production, and perhaps she might see that the country had no business in the World Finance Club, that, being underdeveloped, it was bound to lose in that league. Moreover, such countries can't begin to compete with the Western powers until they take their resources into their own hands, away from the foreign entrepreneurs, and set about creating their own system, based on their own land and its people. In Latin America it's the foreign companies, and those who have been influenced by them—gone to their schools, lived in their houses, learned to appreciate European and North American life styles—who seek the help of the international agencies.

But the agencies refuse to see it that way. The Bank's vision is limited by the need to maintain its reputation in conservative financial circles. This reputation is based on more than the financial solidity of the Bank's loans. It is also supported by the Bank's responsible attitude towards its work, reminiscent at times of the boy scouts. Bank officials and staff have learned the "right way" to do things, and off they go to impart their wisdom to the world. They have "responsibility" to those who are weaker, and they have the "expertise." That the weaker ones have all kinds of possibilities and potential for development in totally different directions is not even imagined. The father protects his children, he teaches them his own superiority. It is as though we were in a hospital: the patient is pronounced unfit and dosed with stabilizers; if disorderly he's put in a straitjacket—to learn "discipline" and become a debt-paying, responsible member of the International Money Club.

Perhaps it comes from the way these "boy scouts" have been educated. The famous schools, universities, institutions, and governments of the Western world have behind them a certain tradition and aura of authority. We can call it male chauvinism, racism, imperialism—behind them all lies a strong sense of self-importance

and an inability to recognize not merely the “ideas” but the *realities* of views, attitudes, people, and groups which lie outside this sense of self; an inability to identify with that part of humanity which is striving to create, as if for the first time, a fundamental, universal sense of values which will allow all people to participate in the running of their lives. For the competitive game would then end, and those who have played and won would feel cheated—as if all their hard work was for nothing. The very cruelty of the system makes them hang on that much tighter to their conviction that it was good for them and will be good for others too.

Those at the top have a responsibility to help and encourage the weaker ones to climb and stay in the system. Listen to George Woods, former World Bank President:

What we want, in a word, is to encourage constantly improving economic performance by our developing member countries. Not every country can have, or even profit from, a detailed development program, but every country can aspire to a well thought-out set of policies which will provide the conditions and motivations conducive to economic growth. . . . We are able to talk about policies and policy changes not as interlopers but as collaborators—and sometimes we give agreed policies the final measure of support they need to tip the scales in their favor in the councils of government.

Emphasizing this last point further, another Bank document states that the Bank’s loans “can help the government to overcome some of the internal pressures and to take measures that it feels are necessary but is unable to introduce without this support from abroad.” So the governments of underdeveloped countries which the World Bank supports are “collaborators” in a common aim. Indeed they are. These sensible people who appreciate “a well thought-out set of policies” and who feel certain measures “are necessary” are reflections of the Bank itself. The members of the Bank’s staff themselves do the analysis of the economic structure, they come up with the conclusions, and they are the ones who produce the financial power to override “internal pressure.”

Click. Click. The World Bank is a *bank*, another example of the great capitalist Puritan ethic, security-conscious and tight: it demands “very strong restraint in the current expenditure” (“sufficient austerity in the public sector’s capital expenditure permits a more adequate flow to the private sector”) and “above all, a sense of continuity and stability . . . so that the private sector

is convinced that the framework for investment decisions . . . will not be modified lightly."

When H visited the countries, she found that the internal pressures were *real* and so was the true potential of the underdeveloped human resources. Indeed, they were more than "resources," they were people. By contrast, the statements from the World Bank call to mind the established entrepreneur advising a young man on the make how to get rich. But the young man has no business on the make. He has a large starving family, most of them unemployed or sick. He should be tending them, working out ways in which they might revive, find work, and become fulfilled, not restricting and denying them, or forcing *them* to accept austerity so that the rich neighbor might give *him* a loan.

The vision of the agencies is limited by the framework of capitalism. This recognition sets H on the road to freedom. It is not a matter of the personal attitudes of particular aid officials, presidents, or political parties. The counter-revolutionary function of Western aid is built into the foundations of the institution. For example, the World Bank's Articles of Agreement state that, among its purposes, it is to promote *private* foreign investment by means of guarantees and participation, and if necessary to supplement this investment by providing finance for productive purposes out of its own capital and funds raised by it. H notes:

There is an internal (and secret) Bank document entitled *Policy Memorandum 204* which states that the Bank shall not lend to countries which default on debt repayments or servicing (without agreement on re-financing), which nationalize foreign-owned assets (without adequate compensation), or which fail to honor agreements with foreign private investors (for example, tax agreements). This Memorandum has been invoked against Egypt, Burma, Ceylon, Iraq, Indonesia, Brazil, Costa Rica, and Guatemala (although the Bank usually had other reasons for being unwilling to lend to these countries) . . . and . . . currently . . . Peru.

This puts the World Bank firmly in opposition to the revolutionary path of development, *whether or not it is carried out by violence or through parliamentary means*. The same holds for the lesser agencies too, the CIAP and the Inter-American Development Bank.\*

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\* U.S. aid operates under the following legal conditions: No aid to any country that nationalizes U.S. property without adequate compensation; that trades with Cuba or North Vietnam; that, in the view of the

Still, H must satisfy herself that this "financial responsibility," together with the system which upholds it, is in fact incompatible with radical social and economic reform. Well, what happens to the "reforms" the agencies talk about? Vested interests delay reform legislation in parliament, tie it up in courts, and corrupt the implementing bureaucracies. Balance-of-payments crises and inflation provide convenient moments to revise targets downward. Governments find they can raise or save money only where it hurts those people whose interests lack representation in the power structure. Investments and imports take place in response to the present highly inequitable distribution of income. Land reform is held up because, with the difficulties and uncertainties of change-over, there's bound to be an initial drop in production.

One might conclude that these difficulties are inevitable and proceed to delay and abandon all but token reform. This seems to be the agencies' habit of thought. Or one could draw the totally opposite conclusion and argue for immediate and sweeping changes. Consider land. If reforms are gradual, landowners become uncertain and resentful; as a consequence they refuse to invest and production drops. But with an immediate, sweeping land reform all uncertainty is removed. The new system of production can be started on a large scale. As for the burden on public finances, it can be met by postponing, reducing, or even abolishing compensation. But this requires a willingness to fight a *class* struggle. Again, if progressive taxation means a flight of capital, the answer may simply be controls on the movement of capital; if reforms are stalled in parliaments or courts, this may be an argument for altering parliaments or courts. The difficulties, in short, may be signs pointing to the need for revolution.

So H finds herself visiting Cuba, on the way to finding out what revolution can offer. She finds that, despite their difficulties, they have achieved reforms promised by every Latin American government, enshrined in the Alliance for Progress, and carried through by none of them. Cuba has abolished illiteracy, provided universal education, developed experimental schools, and has full employment at a basic living wage. Rationing has en-

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President, is engaging in or preparing for military aggression against the United States or U.S.-aided countries; that claims exclusive fishing rights in waters fished by U.S. fleets. In practice, U.S. aid is usually tied to the purchase of U.S. goods and services, and U.S. aid officials are instructed to consider, in evaluating projects, whether they will generate follow-up orders for U.S. parts and equipment. U.S. aid will not normally be granted for projects that would compete with U.S. imports.

sured a decent minimum food supply and decent clothing to everyone; the complete and thoroughgoing reform of housing has provided space for even the poorest families, and confiscation of the houses of the rich refugees has provided space for schools, hospitals, and administrative offices. Land reforms have been carried out and new agricultural techniques successfully introduced. Public telephones are free. As for "financial stability," the expropriation of foreign companies, domestic landowners, and the rich bourgeoisie eliminates the inflow of luxury consumption; this reduces the pressure on the balance of payments and increases investible resources. The "refugee" flow has meant a loss of skilled labor, but skills can be learned when the need is genuine and the workers enthusiastic.

So, having scrupulously gathered all her information, H writes it up and presents it to her employer, the ODI, hoping her voice will be heard. There is immediately some confusion. Why "leverage"? Couldn't she write about "something else"? She's offered a series of appointments to clear things up, but they turn sour; somehow, everyone is suspicious. Or, sometimes, avuncular: "My impression from your draft is that you feel monetary stability, the acceptance of past contractual obligations (and particularly those concerned with debts), social and economic change brought about rather slowly in a gentlemanly sort of way, etc. . . . are all characteristics that need to be thrown over."

However, it seems that the Institute would like her to try again and see if she can produce a second draft "that works." The mistakes appear to be concerned with small points of accuracy and detail. H is a little suspicious in her turn, but sets to work conscientiously to tighten it up. When she shows it to her fellow staff-workers they pronounce it vastly improved, now thoroughly presentable as a scholarly thesis. Confidently they send it off to the people who count: the World Bank. The earlier rumble of resistance ("my main concern is whether it gives the impression that what the agencies do is wrong") has grown into outright rejection. The World Bank will have none of it. They don't write to H; they write to her director: "Our objections cannot be met by mere changes in drafting. . . . The real trouble is that the author has tried to bend the facts to suit her thesis, and . . . not only got a lot of things wrong, but she has also made quite indiscreet use of information given her in confidence." No examples of factual error are given. But: "Let me draw your attention to a few examples among many passages in the paper which, whether true or false, . . . could seriously embarrass the Bank in its rela-

tions with member countries . . . and could also embarrass the President."

The Bank then delicately but plainly threatens to withdraw its financial support of ODI, should they be so insensitive as to proceed with publication. H's friends at ODI rush to her side: "We are all a bit bothered, . . . when it comes to the ideological framework." They would "go right through the draft and pare it down to the hard-hitting essentials . . . to strengthen its persuasive power on officials. . . . The whole of Cuba would have to go . . . and most of the revolutionary prescription."

H has seen this before: "What's wrong with my latest effort is not that it has an ideological framework, but that it's the *wrong* one."

The ODI tells H they are sorry, her work just isn't good enough: It "remains unbalanced and hence unscholarly." "I was assured that the objections were technical, and that there was no question of there being any objection to my conclusions, or to *what* I said, as opposed to *how* I said it."

Unlike K, who perishes within the labyrinth, H, who has seen the only way for underdeveloped countries to deal with "imperial aid," takes the cue herself. No more working from within. She leaves her job and publishes the full account—the study itself and the follow-up between herself, the Institute, and the World Bank. As an aide to McNamara said: "Certainly, the image you present of the Bank in its dealings with Latin America is a very different image from that which our new President is trying to create."

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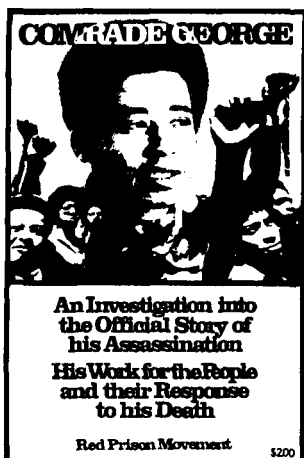
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## DEPRESSION AHEAD

By David Mermelstein

*The Sick Society: An Economic Examination* by Michael Tanzer, New York: Holt, Rinehart & Winston, 1971; cloth, \$5.95; paperback, \$2.95.

During the summer of 1957 America entered its third postwar recession. By 1958 the worst was over, much to the consternation of a large number of Marxist and radical economists, who thought at the time that this was to be the beginning of "it," the long-delayed postwar depression. In fact, that recession *was* a turning point of sorts. It marked the end of European (and Japanese) reconstruction and—the other side of the same coin—the beginning of a chronic U.S. payments deficit. Somewhat more than a decade later, that deficit has led to the unmentionable, the devaluation of the dollar, as well as to all the other financial problems we read of daily in the press.

From the standpoint of counter-cyclical theory, what was interesting about the 1957-1958 recession was the success achieved by the so-called automatic stabilizers in warding off a downward economic spiral. This necessitated an adjustment among existing Marxist models of capitalist development. Most Marxists abandoned the common premise that we were about to return to the decade of the 1930s and accepted, not without misgiving, bourgeois claims that the economy had become depression-proof.

By rejecting the traditional radical premise of an inevitable crash, Marxists implicitly (or often quite consciously) accepted one or another variant of Keynesian economics. It was not only bourgeois economists but Marxists as well who adopted the notions of effective demand, the multiplier, and other elements of Keynesian theory. To be sure, no Marxist ever suggested that the economic system functioned well, and much effort was devoted to precisely an opposite evaluation. Inequality and imperialism, for

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example, were but two among many pernicious consequences of the capitalist social order. Moreover, Marxists understood, where Keynesians did not, the nature of the political limitations on Keynesian policy-making. More than their Keynesian ideological rivals, Marxists recognized the central role played by military expenditures in promoting full employment.

In fact, military expenditures are the crux of the matter. Depressions were *passé*, not because of Keynesian planning as told in the fairy tales of the orthodox texts, where housing, hospitals, or roads were forever being hypothetically built to create full employment. (It should not pass unnoticed that changing times have led to a new litany consisting of recycling mechanisms, day-care centers, and programs for the poor.) Nor have depressions been warded off by the efficacy of automatic stabilizers independent of military spending. The most important of these is a function of the tax structure, itself dependent on large doses of military spending. Whatever the *theoretical* alternatives, war spending in the neighborhood of 10 percent of the GNP annually has been the basis for postwar prosperity.

One consequence is that Marxists have become increasingly Keynesian in much of their thinking. That is, they have tended to accept the Keynesian thesis that government spending can create endless "prosperity," though differentiating themselves from the Samuelsons by pointing to the wasteful and murderous nature of much of this spending. Military expenditures (few were ever sucked into using the apologetic idiom which equates the activities of the Pentagon with *defense*), so we would confront our Keynesian colleagues, are a helluva basis for prosperity. And with Vietnam even some of the Keynesians began to see the point.

Nonetheless, radicals were too quick to concede to the Keynesians the efficacy of even the perverted form Keynesianism finally took. Capitalism, Keynesian thinking to the contrary, has *not* found a way to maintain prosperity and prevent depression, in spite of scores of billions annually spent on armaments. One, but only one, of the many merits of Michael Tanzer's *The Sick Society* is that he has penetrated the fog of international finance and domestic credit creation to show that not only *can* "it" happen again but that in all likelihood it *will*. Tanzer never describes, nor should he, the depression he envisions. The implication is that it will be far deeper, longer, and more devastating than any of the postwar recessions, but somewhat less severe than the historic depression of the 1930s. Like most of the Left, Tanzer sees Americans as making a future choice between socialism and fascism (or at

least another stage of state capitalism with heavy fascist overtones). But unlike many, he bases his projection not on a political response to capitalism's failures on a micro-political or micro-economic level but on a macro-economic crisis, the likes of which we have not seen in more than three decades.

The key factors involved are an unstable international monetary system and a weak credit structure upon which the postwar boom was fueled. The basic cause of the international monetary crisis is not, Tanzer believes, the Vietnam war but rather the continuing growth of U.S. foreign investment. International cooperation in the monetary sphere can work only if there are no fundamental problems. But with the increasing stress caused by economic slowdowns, cooperation is inevitably replaced by the law of the jungle.

Tanzer's implicit approach is to divide the postwar era into three periods. In the first of these periods, Western Europe and Japan, busy with the task of reconstruction, produced almost totally for the home market. From 1958 to the present, these economies oriented themselves more toward foreign markets. The United States on the other hand, by accelerating its foreign investments, forced the other advanced capitalist countries to accommodate this development by accumulating gold (while it lasted) and dollars, especially in 1971 when international competition and rising domestic costs caused the dollar value of merchandise exports to decline below that of imports. This was a period characterized by frequent monetary crises and Charles de Gaulle's attempts to force devaluation of the dollar, thereby raising the value of gold. Joy at this prospect was not merely confined to the gold-producing countries usually cited, South Africa and the Soviet Union, but existed in gold-holding countries like France as well.

The year 1971 became a turning point when European countries were no longer willing to permit the purchase of their industrial enterprises with overvalued dollars. Tanzer is dubious that orderly reform of the system is possible. Recent developments, including the Smithsonian Agreements which devalue the dollar and abolish the surcharge, might indicate otherwise. Bankers, politicians, and bourgeois economists appear to be holding their breath. In a recession-prone world, where each capitalist nation has to export in order to maintain employment and profits, in all likelihood we have entered a permanent era of international commercial strife, intimidation, and economic nationalism. The end is not in sight.

When one turns to the crisis in the domestic economy, Tanzer suggests that the last 25 years can be characterized as "credit capitalism." He assembles much data to show that the economy has become increasingly less liquid, whether we look at households, banks, or non-financial corporations. He concludes that the bubble of credit expansion is due to burst. Tanzer illustrates what he has in mind by the following *hypothetical* scenario:

As a result of the international maneuverings over the balance-of-payments crisis, involving various currency devaluations, international trade and investment slows down. Because of this, U.S. exports begin to weaken, thereby slowing production at home. At the same time, as a result of the international monetary pressure to reduce U.S. inflation, military spending is reduced.

The cutback (or even a slowed growth) in military spending hits southern California particularly hard because it is a major defense supplier. Some people are laid off, but more important, the exuberant expectations about the area's growth, which had been fueled by the rapid increase of military expenditure, are suddenly cooled. The real estate and mortgage market in southern California rapidly begins to deteriorate. One or two major western savings and loan associations are unable to meet new withdrawals by nervous eastern depositors. They are taken over by the Federal Home Loan Bank Board, which begins to liquidate their mortgage portfolios.

Savings and loan depositors all over the country begin to panic, and to demand their money. As a result of this rush, all depositors cannot be paid off promptly and must wait. Clauses allowing the savings and loan associations to defer immediate payment are invoked on a mass basis. This casts doubt on other savings institutions, which soon find themselves besieged by depositors. There then result wholesale bank dumpings of mortgages and government securities on the market, in order to raise cash to pay their depositors. Among other things this fire sale of bonds drives up interest rates sharply.

Corporate stocks are then dumped because the yields from bonds are considerably more attractive and because expectations have turned downward and panic is beginning to set in. The stock market tumbles badly daily, and major corporations, seeing the way the wind blows, begin to retrench on their investment plans, cut down on inventory accumulations, and trim their work force. Laid-off workers reduce their current purchases sharply and begin to default on their installment credit and mortgage payments. With rising defaults, financial institutions undergo a second relentless wave of pressure and liquidation, with the weaker of them going bankrupt. At this point the country is well into a major financial crisis.

I find this orchestration of the future altogether plausible, though I am not unaware that one reason may be the emotional appeal of having "it"—the depression—once more just around the corner, the implication being that *the Revolution* may not be as far off as many of us fear. It is therefore important to state some of the limitations of Tanzer's analysis and indicate why some degree of skepticism is in order.

First, ratios which purport to show a reduction in corporate liquidity may partially reflect a more efficient corporate management of cash. On the household side of things, increases in aggregate personal indebtedness relative to personal income may indicate not that disaster is imminent but that credit is available to a greater number of families for the first time. Thirdly, the ability of government to change depreciation rules gives the system a degree of monetary flexibility that Tanzer does not appear to appreciate fully. Finally, the system weathered rather well the financial storms associated with the stock market crash of 1962 as well as the severe decline of 1971.

On another level, the question can be raised as to whether there is any basis for believing government can do more to prevent the crises Tanzer anticipates. Writing before Stage I, Stage II, and all that, Tanzer doubts that inflation can be ended without touching off a major depression. The Pay Board has done little to controvert this view. Nonetheless, given the historic flexibility of the ruling class, I would be cautious in presuming it to be impotent. Moreover, Tanzer, like many left economists, is unwilling to concede a more positive role to tax reductions as a means of dealing with mass unemployment.

On still another plane, Tanzer's analysis of the coming crisis is almost exclusively monetary. As such, it tends to exclude the "real" factors emphasized in Marx and in such Marxist tracts as Baran and Sweezy's *Monopoly Capital*. Tanzer does not study, for example, the relationship of consumption to investment or wages to profits. Neither real nor monetary factors should be ignored; it is their interaction which determines the path the economy cuts.

Nonetheless, in spite of all these limitations, Tanzer's two chapters on the international and domestic economic crises are analytically sound and refreshingly good antidotes to the neo-Keynesian thinking of our day. A crisis somewhat along the lines he has projected seems more than likely.

It is worth asking, where did Keynesian economics go wrong? More books and articles on the "Keynesian Revolution" have

been ground out than anyone will ever be able (or want) to read. Pedants quibble about what was new in Keynes: his notion of effective demand? the concept of the consumption function? etc. What is really important about Keynes's *General Theory* is its rejection of a self-regulating capitalist market and its creation of a set of concepts which provide a theoretical basis for government intervention. Keynes, then, rationalizes capitalism for the current century much the same way as Adam Smith did, in reverse, for the eighteenth.

In revealing and rejecting the instability of laissez-faire capitalism, Keynes and his followers made new, unwarranted, and generally unnoticed assumptions about the institutional stability of the system. First, it was assumed that fiscal and monetary policies designed to promote the health of the domestic economy can be utilized without concern for their international effects, merely by adjusting exchange rates at appropriate junctures. This approach is valid enough if you are a small country like Denmark, but hardly true if your currency is, as in the case of the United States, the leading reserve currency of the world.

Even more important is a second institutional assumption: that the organizational structure of the economy remains intact. In short, corporations remain solvent and functioning. As long as this is so, reducing interest rates can induce enough of them to embark on investment projects to generate employment. Similarly, fiscal policies like tax reductions and spending projects can increase employment and profits. But once there exists a financial crisis of the type Tanzer describes, macro-economic measures have limited validity at best. When sections of the economy become inoperative because of bankruptcies and financial panics, government spending programs are apt to worsen matters by creating inflationary pressures wherever production is actually taking place, while not having much effect on those sections already closed down. In cases like these, *macro-economic* cures are not needed. Necessary are *micro-economic* solutions to what are essentially *macro-economic* problems. That is, to stave off a crisis, the government must intervene on an individual basis, for which the Lockheed case with its \$250-million government handout is an apt prototype. Since, however, the government is almost totally unprepared for a crisis of this type, it is not likely that it can prevent a serious credit-induced depression. In any event, solutions of the Lockheed variety, not to speak of the already existing wage-price freeze, are ample enough indications that Keynesian economics is, to put it gently, on the wane. If Tanzer is correct, the entire

fabric of American politics is likely to be torn apart, much as it was in the 1930s by the Great Depression.

Before commenting on Tanzer's formulation of future possibilities, it is worth mentioning what the rest of the book is about. There are chapters on corporate power, imperialism, racism, and alienation, with a degree of unity being achieved by showing how these problems have common underlying economic roots and causes. In a familiar idiom, life in America reflects the concentrated ownership and control of the means of production by the capitalist class. Tanzer does not pretend that in these sections he is breaking new ground. In fact, much of *The Sick Society* can be thought of as an excellent synthesis and popularization of prominent left-wing works, in particular, *Monopoly Capital*, William Domhoff's *Who Rules America?* and Harry Magdoff's *The Age of Imperialism*. Those thoroughly familiar with left economic literature will find little here they do not already know. Little, but not nothing. For example, there is Tanzer's estimate that the slum landlord's stake in discrimination against blacks amounts to \$500 million per year which, as he points out, is a sizable vested interest by any standard. (In passing, I might mention that Tanzer's chapter on black poverty struck me as a cut above the others, the one on alienation an equal cut below.)

If doubts remain about the book, they arise more from the tone than the content of the concluding chapter on prospects. As mentioned previously, Tanzer foresees a breakdown of the current system, the resolution being either "some type of state capitalism" or "some variant of socialism." At one point, he suggests that one (theoretical) response to a new depression would be governmental hiring of enough workers to effectively take over all economic activity. This "would mean the end of the capitalistic system as we know it." Elsewhere he attempts to elaborate on what he means by "state capitalism," but gets sidetracked into arguing either that it will not work or that it will "stabilize" itself by introducing a level of repression reminiscent of Nazi Germany.

I find it hard to pin Tanzer down on what he means by state capitalism and why it differs in any fundamental way from what we already have. A much expanded role for government may indeed mean the end of capitalism as we now know it, but as long as power and wealth remain in the same few hands—substantially intact—capitalism prevails. Tanzer's elusive, even mystifying, statements that capitalism *as we know it* will disappear lose much of their significance if the essence of the system, as we know it, survives. Tanzer fails to show why a ruling class which

has demonstrated historically a vast degree of flexibility would not be able to adjust the type of state capitalism we already have, to cope with the problems of an economic collapse. Not that it can totally avoid this collapse but that it can prevent it from jeopardizing the survival of its basic institutions.

If Tanzer appears to *underestimate* the system's flexibility in one direction, he *overestimates* it in another. "Thus, as long as the economy can be prevented from collapsing, while the sick society may operate at below par and be vastly deficient in human terms, it could live on for many decades, if not centuries." I find this difficult to accept, if for no other reason (and there are others) than the ecological impossibility of maintaining endless growth. Conceivably, the ruling class can buy off or annihilate black people, students, Vietnamese, or whoever else threatens their system; but it cannot co-opt Mother Nature, as I am sure we shall increasingly learn.

Tanzer's almost total neglect of ecological considerations makes me uneasy about his idea of the socialist possibility that can arise from the impending economic collapse. What he says seems sensible enough, especially his insistence that American socialism will have to be quite different from any type now functioning elsewhere. What socialist can object to abolition of "any labor . . . not productive enough under healthy work conditions to allow payment of a decent wage"? Or to renunciation of existing overseas investments? Or to the offer of assistance on a vast scale to those we had previously exploited? And yet, there is something of the we-can-do-the-same-job-capitalists-did-only-better attitude which has failed so dismally when offered to the American people in the past. For what else is being said in the following passage?

As we have seen, the corporate society has a built-in bias toward short-range plundering and a calculated disregard for long-run repercussions. To overcome the heritage of this approach will require a great deal of investment and construction—in housing, schools, hospitals, recreational facilities, rebuilding our decaying cities, and developing new ones. By its very nature such wide-scale and long-term construction and investment requires equally comprehensive planning if we are not to end up with a hodgepodge of wasteful activity.

Somehow, I find in all this a lack of socialistic vision. If capitalism is to be overthrown, we must do more than play good defense—to use a football analogy—and capitalize on *their* fumbles. Instead, *we* must take to the attack, and confront a goods-

oriented concept of a well-functioning economy with a mind-blowing alternative that the American people need and want. Economic growth and happiness-through-goods belongs to the cancerous ideology of the capitalist system we seek to replace. Ours must be a vision that not only recognizes the ecological limitations of material acquisitiveness, but one which conceives of human satisfactions in a non-material and revolutionary way. What I'm saying is, Mike, must we *really* develop new cities? And can't we ever learn from "revolutionaries" like Ivan Illich, who demonstrate persuasively that learning doesn't require schools?

These shortcomings aside, for persons who have shied away from economic literature, perhaps because they feel intimidated by the subject matter, Tanzer's relatively small book is a gem. Not only is it a reliable guide to the problems it covers but it is written simply and without jargon. For teachers of economics, I can think of no one book I would rather offer my students as an elementary introduction to the American economy. *The Sick Society* is a first-rate popularization, and its availability in a paperback edition for classroom use is welcome news.

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## OLD AGE IN CAPITALISM

By John H. Claiborne

*The Coming of Age*, by Simone de Beauvoir, translated by Patrick O'Brian. G. P. Putnam's Sons; 585 pp., \$10.

*The Coming of Age* is the insipid euphemism into which the American publisher has attenuated the title of Simone de Beauvoir's book, *La Vieillesse* (old age). This petty attempt to emasculate her work reflects the banal laments of the bourgeois reviews for the universal and unavoidable condition of old age as such. Yet Mme de Beauvoir would have been guilty of monomania if she had insisted any more frequently or vehemently on the *class* nature of aging. "There are two categories of the old, one extremely vast, the other reduced to a tiny minority—corresponding to the class of the exploited and the class of exploiters. Any treatment presuming to be about old age in general has to be challenged, because it will tend to gloss over that fundamental division." (pp. 16-17) Accordingly, Mme de Beauvoir proclaims her whole purpose to be to break the conspiracy of silence about aging in capitalism.

The data are not, especially in their economic aspects, unknown to radicals. Twenty million Americans, one tenth of the population, are now 65 years of age or older. Of the 6.1 million families headed by the aged, more than one half, according to the 1970 census, had incomes of less than \$3,000. Of the 3.6 million aged people living alone, about half had incomes of less than \$1,000. This stands against a thirteen-year-old estimate by the federal government that a retired couple needs between \$2,700 and \$3,400, annually, depending on location, to afford a standard of living pitched at a level of six eggs per week, fifteen meals in restaurants a year, and one new overcoat every nine years! Income

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from Social Security in our “welfare state” amounts to about \$2,500 for the average retired couple; and the private pension plans of free enterprise will not extend to one fourth of the aging before the mid-70s. Medicare and Medicaid are little better than palliatives for the profound needs of our aged for medical care. Old people are hospitalized more often, and stay longer per visit, than the rest of the population—an average of fifteen days as against six for adults between 25 and 34 years of age. And though there are clusters of the old in Florida, California, and the southern and western states, their situation remains for the most part conveniently invisible, facilitating the studied and diligent neglect with which monopoly capitalism justifies their degradation. Even the migration into the sunny states is largely of the well-to-do. If the old deserve only to be jettisoned as subhuman rejects, once they are no longer profitable as workers and consumers, conversely those who still have money find a certain accommodation: “retirement villages” are the current means of converting provision for the old—i.e., for the old who have money—into a mere demand for consumer commodities. But this trend has done nothing to mitigate the scandalous death rates in retirement homes. The transparent bourgeois apology, that these rates are misleading since the aged do not retire until they are already on the verge of death, is belied by the fact that, of the *healthy* human beings who enter institutions for the aged, 54 percent die in the first year.

Simone de Beauvoir documents these facts with exhaustive patience, and she fully appreciates their systemic significance. To jack up government provision for medical care for the aged will not restore the measure of health they lost because of the drudgery and inadequate attention of their prime. To raise pensions to subsistence level will not be enough to support creative projects any more than a poverty-level income allowed this before retirement. And the availability of “adequate” housing amounts only to more comfortable segregation of the aged in dehumanized enclaves, apart from the active life of society.

It is in the interpretation of these data that Simone de Beauvoir shows to its best advantage the absorption, since Sartre’s *Critique de la Raison Dialectique* (1960), of existentialism by Marxism. To what extent is the contemporary degradation of the aged an ineluctable process, enforced biologically? What, on the other hand, is the function in this process of bourgeois ideology, such as it is, concerning the aged? And what is the explanation of the puzzling fact that, though each of us knows it is his or her

destiny to become old, and though there are very few of us who have not actually already witnessed the dismal lot of the aged in the person of our parents when we are in our own prime, or of our grandparents when we were children, we nevertheless make such trivial and outrageous provision for the elderly in capitalism.

In the first place, the biological destiny of man approaching the term of life is not necessarily cruel. Given attention to their health *all through their life*—as has indeed been possible for many “eupatrids,” i.e., members of the ruling class—people have every chance to live out their days in the midst of their projects and those of their society until, one day, their bodies “privately weakened by age but not visibly diminished, would fall victim to a fatal illness; [they] would die without suffering degradation.” (p. 569)

In the second place, the anguish, defeat, loneliness, suspicion, and resentment that are so characteristic of the behavior of the aged in our society are not inherent in senescence as such. They issue from the nature of man as active—as defining himself in *praxis*\*—in a context where this *praxis* is distorted and vitiated by the cardinal imperative to subordinate all activity ultimately to the profit of capital. It is here that the convergence of existentialism and Marxism in Mme de Beauvoir is most illuminating. The key existentialist notions of being-for-others and of man’s free actions have been absorbed into Marx’s theory of the nature of man as creative *praxis*; and Mme de Beauvoir’s explanation of the present degradation, as well as her proof of the possibility of a more benign future for the aged, receives an account in terms of the function of *praxis* and of man in a social system whose basis is the private ownership of the means of production. She feels, moreover, that in addition to being of scientific value, her documentation and account of the treatment of capitalism’s most “disinherited” stratum is a work of revolutionary commitment. “To demolish the system of castes, Gandhi attacked the condition of the pariahs; to destroy the feudal family, Communist China emancipated women.” (p. 13) *La Vieillesse* attempts to do the same for capitalism by bringing out the condition of its aged.

In a society based on profit, the function of a man depends above all on his productivity in an economic sense. If he is not an owner of property, the term of his usefulness in society is defined by the moments of his entering and then of his exit from the

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\* I follow Simone de Beauvoir in using the word *praxis*. The connotation, which may be absent from the English “practice,” is of men consciously acting to transform themselves and the world.

work force. Thus, (1) the major *actions* of an individual are those of his job, and (2) the character and duration of this are determined by market conditions. In capitalism there is always a reserve army of the unemployed. Of these, the aged constitute the largest section. Now even if one's own *praxis* is imposed on one by the needs of capital for profit, one's *expérience vécue* of occupational abilities remains far in advance of fitness for work as defined through one's being-for-others. Empirical studies in France and the United States have demonstrated the fitness of the elderly for a whole range of jobs right up through all but the most advanced superannuation. But instead of being allowed to continue to define themselves in *praxis*, the aged are forcibly retired, depriving them of all practical opportunity for action, and at the same time of any financial means for inaugurating new projects.

There is no remedy for this situation outside of a planned economy.\* While unemployment for workers in the prime of life remains permanently at 5 percent or higher of the total working population, the ceiling of retirement must in fact tend to be depressed still lower. The more of the aged who continue to hold jobs, the more will the youthful population of workers be consigned to the somber stagnation of unemployment. Thus it may be outrageous, but it cannot be surprising, that some 97 percent of newspaper Help Wanted ads set the age limit for applicants at 40, and that one third of employment agencies in the United States will not attempt to place workers over 45!

Here is clearly a situation where the wisdom of bourgeois ideology can justify things. The supposed doddering rigidity and senile incompetence of the aging is the reason they are to be demoted or fired rather than provided with even such obvious adaptive devices as chairs so they may work while sitting. And, of course, the lack of a job simply means just that much more leisure time for creative activity. The militantly selfish young striker has earned his retirement by a life of selfless work; and the maundering old dotard is entitled to express the serenity of his accumulated wisdom in the protected haven of enforced idleness.

Mme de Beauvoir is not gentle in disposing of this "mystical twaddle." The aged have scarcely enough money to keep themselves from perishing from illness, let alone enough to take up bold new hobbies and projects. It is absurd to disjoin the activities a man may pursue in retirement from those which have been open

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\* In an appendix Mme de Beauvoir documents how the condition of the aged in Yugoslavia has declined following the decentralization reforms.

to him as an active worker. In the first place, the volume of leisure available throughout an active life was minuscule; and the energy left from a job was not enough to feed any active involvement. In the second place, leisure needs were necessarily filled, under capitalism, in the same way as more elemental needs—in this case, by the entertainment “industry.” Leisure and entertainment in capitalism are produced and consumed like any other commodity. How, then, under these conditions, is it possible for a man deprived of his economic occupation not to be deprived of the only *praxis*, lame and distorted though it is, he has known? And in *that* case, given the essence of man as active, it is all but inevitable that his retirement should become a sink of defeat, anguish, and social pathology.

What emerges from this analysis is that the problem of the aged is even more a problem of the youthful. “The reason the retired man is rendered hopeless by the want of meaning in his present life is that the meaning of his existence has been stolen from him from the very beginning.” (p. 568) Thus what is needed are not the palliatives of better housing, higher pensions, and more adequate medical care, important as these are, but simply that all his life a man should be treated like a man—integrated into a common life instead of atomized into working just for himself and his immediate family; allowed to develop creative projects in a range of ways with his fellow human beings instead of being channeled, subject to the division of labor, into one narrow economic track. It is profoundly true that “old age expresses the failure of our entire civilization. It is the whole man that must be remade.” (p. 569)

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The masters of the governments of the United States are the combined capitalists and manufacturers of the United States. It is written over every intimate page of the records of Congress, it is written all through the history of conferences at the White House, that the suggestions of economic policy in this country have come from one source, not many sources. The benevolent guardians, the kind-hearted trustees who have taken the troubles of government off our hands, have become so conspicuous that their names are mentioned upon almost every political platform. The men who have undertaken the interesting job of taking care of us do not force us to requite them with anonymously direct gratitude. We know them by name.

—Woodrow Wilson, *The New Freedom*, III

# CORRESPONDENCE

## QUESTIONS FOR THE AGENDA: UNITY, SOLIDARITY

The following—"a composition dealing with a subject from a limited or personal point of view"—developed from thoughts prompted partly by two MR articles. One was Alan Wolfe's "Political Repression" (December 1971) and the other, "Socialist Academics and Labor" by Wells H. Keddie (February 1972). Its origins lie also in several sets of experience. In 1970 and 1971, as a writer, I spent a great deal of time with members and leaders of the Black Panther Party. Since early 1972 I have been doing the same with members and leaders of the independent United Electrical, Radio and Machine Workers Union. I am sure, too, that my concern with the questions of unity and solidarity has grown in proportion with time recently spent in Cuba, which I have visited annually since 1967. More remote origins are no doubt also involved: three years as a sheet-metal worker in a shipyard in Maine in the Second World War, and several years' service after that, as a national staff member of what was then the Industrial Union of Marine and Shipbuilding Workers, CIO. At present I am an independent writer and a lecturer in "journalism" at the Boston University School of Public Communication.

"People! Organizations! Groups! Yippies! Political Parties! Workers! Students! Peasant-Farmers! You the Lumpen! Poor People! Black People, Mexican-Americans, Puerto Ricans, Chinese, etc. . . ." Thus began, in early 1969, a leaflet issued by the Black Panther Party announcing a "Revolutionary Conference to Develop a United Front Against Fascism." The conference, attended by about 4,000 persons, was duly held in Oakland, California, for four days in July of that year. From the turbulent meeting of

its cross-currents emerged the National Committee to Combat Fascism. Various local branches of the committee were set up here and there. They, and the united front effort, struggled for survival through a period of about a year and a half. In September of 1970 more than 15,000 men and women, mostly young, came to Philadelphia to attend the Revolutionary People's Constitutional Convention, called by the Black Panther Party. The draft proposals were described by the *Philadelphia Bulletin* as guideposts for "a new American society in which control of the police, courts, educational system and the means of production" would be vested in "the people of the community." The *Bulletin* referred to "cheers" and "ovations" greeting the proposals as they were read to the final plenary session. It was, indeed, a spirited and serious-minded convention, broadly representative, in which the principles of unity and solidarity appeared to have taken strong root.

But only a few months later, a follow-up convention in Washington, D.C. marked the withering of these principles, the separation of the major elements which had cooperated in Philadelphia, and the beginning of a process of dissolution of the chapters of the National Committee to Combat Fascism. There is a great deal that could be written about the subterranean stresses within the coalition which the Panther Party had tried to put together. Ideological questions concerning the identity and functioning of the vanguard; cultural questions having to do with color and sex; subjective questions relating to the stage of conscious revolutionary development reached, or not reached, by sections of the components—these in general indicate the areas of strain. Objectively speaking, however, it seems clear that the failure of the Panther Party's united-front campaign was a direct result of the heavy, unrelenting pressure to which the Party, its leaders and members, and its enterprises have been subjected by the political agencies of capitalism. The rapidity with which the united-front forces were dispersed is much more than a sign of constitutional weakness among them. The very weaknesses, the successful scattering of the units, are active proof of the power which the Panther Party defines as "fascism." And proof, too, of the Party's discernment that such power can be effectively opposed at the present time only by a "broad front" of radical, progressive, and liberal clusters. If that's the case, what then? What's to be done about it?

The response of the Black Panther Party has been interesting, particularly because of the reflections its activities cast upon the means by which reality, and therefore possibilities, are perceived

by the majority white society. Between late 1966 and early 1971 the Panther Party, having been conceived in the black community of Oakland, California as an organization dedicated to defense of the rights of black people to "bring about their liberation," assumed an image through a process which can be summed up by saying that the media re-created the Party. This is a very complex, a very mysterious late twentieth-century process which requires searching analysis from a Marxist point of view. We are familiar with its workings in the case of entertainment celebrities, whose personalities are imagistically manufactured by a combination of print, sound, and film media. More and more this occurs with tremendous speed over a wide public range which receives the impression in depth. This is the positive, so to speak, a positive which in turn develops a second negative in the shape of the abstracted notion which the subject cannot help forming of itself, reactively. Modern tragedies begin here. Doom has been pronounced. It remains only for the system to carry out the death sentence, which it does by removing the image from the media and thus conveying to the audience the sense that the life has gone out of it, that "it's dead"—a common expression nowadays in the realm of entertainment and media.

Then the next set of players appears. A convenient illustration is provided by an overlap of the Black Panther Party and the "Berrigan Conspiracy." At the very moment in December 1970 when the Constitutional Convention in Washington was falling apart, J. Edgar Hoover, in one of the most irregular episodes of his career, released the news that the FBI had uncovered a plot, master-minded by the Berrigans, to kidnap Henry Kissinger and, apparently in a side maneuver, blow up some heating tunnels beneath government buildings in that very city, the nation's capital. Dissolve Panthers, fade in Berrigans. There were, it is true, two Panther postludes, one involving the factional differences between the domestic forces headed by Huey P. Newton and the Algiers-directed "revisionism" essayed by Eldridge Cleaver—the total acquittal of the New York 21 lost most of its political point as a consequence of the internal Panther Party differences—and the other the "final trial" of Huey P. Newton in California, wherein the jury could not agree and the state decided to call it quits. But the reporting of these events had the tone of a requiem. The Panthers had been laid to rest. It is astonishing, the success of the media. The Panther Party, partly by its own choice, it must be said, dropped out of print and electronic notice and is presumed,

on that account, to have expired, to have been killed off. This institutional arm of capitalism, the media, does indeed possess executionary authority, the extent of which can be measured by the impact its hocus-pocus makes not only on the general public, but also on the subjects themselves and on their former allies, not to mention sympathetic observers.

It is not for me to say whether the leadership of the Black Panther Party recognized the manner in which its intimate relationship with the media furnished routes for enemy infiltration, no matter how vigorously the Party endeavored to preserve its integrity. Here, however, is a quote from the April 1, 1972, issue of the Party's official organ:

. . . many lessons have been learned, most the hard way. There have been the deaths, of Party members, of too many more of our people; there have been defections from the Party; there has been a defection of the Party from the people, the Black community, from the original vision. We left behind our goal, which had been, from the beginning, to put together a practical program for our survival and to guarantee our right to life, manifested in the right to eat, have decent clothing and housing, etc. Having come away from arrogance, cultism, we have returned to our original aims, producing what we call the Survival Programs, the practical programs that serve the survival needs of the people. It is a return and a new beginning. . . .

The Black Panther Party, in short, holding to its interpretations of Marxism-Leninism, has withdrawn to its caves of Yenan, the heartlands of the U.S. black community, there to concentrate upon unifying itself with the masses of black people through the development of "Survival Programs." Among these listed in the April 1 newspaper are: "The Angela Davis People's Free Food Program," "The Breakfast-for-Children Program," "The Free Bussing to Prisons Program," "The David Hilliard People's Free Shoe Program," "The People's Free Medical Research Health Clinics," and the "Legal Aid Educational Program." Support for these, as I understand it, is derived from contributions in material goods, services, and funds which the Party urges out of well-established, prosperous, professional and business constituents of the black community. The brief era within which the Party was largely dependent upon "white money," and within which much of its energy—as much as was left over from the need to defend itself against police and prosecution—was expended in efforts to build alliances with young white radical groups, has ended. For the time being, anyway. It is not possible for an outsider to guess what will

come of this. But the point is that the existence of the Panther Party is a fact. The reality does not happen to conform to the message delivered by the media. The leadership of the Party, mainly Huey P. Newton, has not chosen to accept the verdict of the media, has undertaken strenuous self-criticism, and has made a decision to build bases of constructive operation among the people of the black community. Without, let it be said, losing sight of the general need for a united front which the balance of classes, the relatively superior strength of the owning class, the extended lines of imperialist adventure, indicate as sound strategy. Nor does the Party any longer assign itself automatically to the vanguard position in a united front. Newton says, in effect, that if any other outfit proves its claim to the vanguard role, so be it, the Black Panther Party will take its appropriate place in the ranks. The only condition the Party sets for other groups is the one it has set for itself: that they relate themselves organically to the people of their communities.

Not bad advice. But just as necessary, perhaps—and perhaps a prerequisite in the procedural sequence of stages by which white radical groups especially will find out where their communities are and how to connect with them (50 million unorganized members of the working class!)—is to advance to the forefront of discussion the questions of unity and solidarity. And to relegate, for now, to a secondary level on the agenda such matters as militarism, imperialism, racism, sexism, and so forth. The clear and present danger of stars-and-stripes fascism, possibly, does not pose itself because of any lack of common agreement among progressive Americans on these issues, but because of organizational fragmentation, because of a lack of unity and solidarity. It is significant, and symptomatic of the national reluctance to examine, analyze, evaluate, and look deeply into social phenomena, that the failure of the Panther Party campaign to create a consequential united front was never subjected to investigation by contingents of the Left. How come? In many other countries such a setback would have prompted “great debates,” great clashes of opinion and theory as to the reasons for this experiment going wrong. The Panther Party itself, of course, obviously did some analysis of its practice and drew the conclusions which have relocated its center in the black community. But otherwise, in the white movements, superficial criticism of the Panther Party substituted for self-criticism—and this superficial criticism essentially justified itself through acceptance of the media burial of the Panther Party. That over with, the white radicals and progressives dashed off to

do their own thing, or lapsed into the troubled passivity which might have been relieved by serious study of the problem of fragmentation, of the causes of the collapse of the united front enterprise in the face of a continuing evident objective need for getting together.

Chances are that the crucial ideological flaw in the arrangement of the North American Left is the almost complete absence of discussion of the questions of unity and solidarity. Nobody knows for sure what it's going to take to make "power to the people" the fact of the future. But have we not reached the point where it is vital for the people to determine how they can become more powerful in defense than they presently are? To ask openly of one another whether squabbles and differences, distinctions of concern, are not only unimportant but the generators of a condition which invites destruction? Is there one of us who would not agree that under the prevailing circumstances of separation, of disarray, the established order, having decided that opportunity had arrived, could smash the distribution of millions of dissenters by the weight of the repressive apparatus—both software and hardware—which it has at its command? Certainly it is not the strength of the Left which has prevented this. More likely, it is the active and potential strength of the revolutionaries on other continents, whose function as a shield for the underdeveloped revolutionary movement here is a factor in our favor, one that continues to give us opportunity to consider how we may contain our contradictions inside a solid united front against the common enemy. Or, to put it another way, our disunity is a luxury, a privilege bestowed on us by the unity and solidarity of revolutionaries elsewhere. In that, we are, unfortunately, truly North American.

The very least we might do, then, is put the questions on our agenda. More or less as was done, with successful results, by the several unions which engaged in 1969 in a company-wide strike against General Electric, the first effective action on that scale against a major corporation in almost a quarter-century. How did it happen? In part because one union, the United Electrical Workers, fighting for its life throughout that quarter-century, never ceased to pay principal attention to the questions of unity and solidarity among workers in the industry, their natural allies, young and older, in the intellectual fields, and other workers, business people, and political persons in communities and states where GE plants are located. The UE, an organization which refused to abandon its class-struggle principles of militant industrial unionism and which refused to lie down and die in the very

worst of times—the Cold War-McCarthyism period—has set an example of optimism and courage, based on an assessment of U.S. and world realities, which is well worth study by those engaged in contemporary progressive endeavors. I have discovered that the UE is a very modest union, not given to grand statements. But let me say for it that its rank and file, and its leadership, seem to be able to keep unity and solidarity in the forefront because of a reasoned faith in the capacity of the masses of North American people to understand the necessities of struggle against the conditions imposed on them by the industrial-political complex.

It is entirely logical that UE International Union Officers in the spring of 1972, when all other unions were confining their political perspectives to the two major parties, were suggesting to shop, local union, and district leaders in a series of meetings on the Nixon economic “game plan” that the time had come to consider formation of a working-class political party, organically related to the reconstitution of rank-and-file democracy in the labor movement. Who knows what will now come of the suggestion? (I can report only that it was enthusiastically received everywhere by men and women of the UE.) When it is acted upon, however, soon or eventually, such a party could serve at the least as an instrument for bringing forward to top place on the agenda the questions of unity and solidarity across a broad front of the people of the United States, victims of the organized elite and victims as well of our own scattering of interests and pursuits.

*James Higgins*

Boston, Mass.  
August 1972

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Acceptance of the present condition is the only form of tokenism which discredits us to our children.

—Lorraine Hansberry

The hottest places in hell are reserved for those who in times of moral crises maintain their neutrality.

—Dante

**STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION** (Act of October 23, 1962: Section 4369, Title 39, United States Code). 1. Date of filing: October 1, 1972. 2. Title of publication: **Monthly Review**. 3. Frequency of issue: monthly except July and August when bi-monthly. 4. Location of known office of publication: 116 West 14th Street, New York, N. Y. 10011. 5. Location of the headquarters or general business offices of the publishers: 116 West 14th Street, New York, N. Y. 10011. 6. Names and addresses of publisher, editor and managing editor: Publisher, Monthly Review, Inc., 116 West 14th Street, New York, N. Y. 10011. Editor, Paul M. Sweezy & Harry Magdoff, 116 West 14th Street, New York, N. Y. 10011. Managing editor, Paul M. Sweezy & Harry Magdoff, 116 West 14th Street, New York, N. Y. 10011. 7. Owner: Monthly Review, Inc., 116 West 14th Street, New York, N. Y. 10011. Stockholders owning or holding 1 percent or more of total amount of stock: Monthly Review, Inc., 116 West 14th Street, New York, N. Y. 10011, Paul M. Sweezy, 116 West 14th Street, New York, N. Y. 10011, Harry Magdoff, 116 West 14th Street, New York, N. Y. 10011. 8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: none. 9. Paragraphs 7 and 8 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of bonafide owner. Names and addresses of individuals who are stockholders of a corporation which itself is a stockholder or holder of bonds, mortgages or other securities of the publishing corporation have been included in paragraphs 7 and 8 when the interests of such individuals are equivalent to 1 percent or more of the total amount of the stock or securities of the publishing corporation.

**10. Extent and nature of circulation:**

|                                                                                     | <b>Average No. Copies<br/>Each Issue During<br/>Preceding 12 Months</b> | <b>Single Issue Nearest<br/>To Filing Date</b> |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------|
| <b>A. Total no. copies printed</b>                                                  | 10,864                                                                  | 11,500                                         |
| <b>B. Paid circulation:</b>                                                         |                                                                         |                                                |
| 1. Sales through dealers and carriers,<br>street vendors and counter sales          | 3,286                                                                   | 3,350                                          |
| 2. Mail subscriptions                                                               | 6,938                                                                   | 7,260                                          |
| <b>C. Total paid circulation</b>                                                    | 10,224                                                                  | 10,610                                         |
| <b>D. Free distribution (including samples)<br/>by mail, carrier or other means</b> | 340                                                                     | 410                                            |
| <b>E. Total distribution<br/>(sum of C and D)</b>                                   | 10,564                                                                  | 11,020                                         |
| <b>F. Office use, left-over, unaccounted,<br/>spoiled after printing</b>            | 300                                                                     | 480                                            |
| <b>G. Total (sum of E and F—should<br/>equal net press run shown in A)</b>          | 10,864                                                                  | 11,500                                         |

I certify that the statements made by me above are correct and complete.  
—HARRY MAGDOFF, Co-editor

(Continued from inside front cover)

Angeles. Each edition has a different back page to advertise local actions. And in each area the paper is sold to local antiwar groups at about \$11 per thousand, and in turn is passed out free in all sorts of communities. We have had a particularly good response from working and Third World people in all these different areas of the country. The number printed around the country varies with each issue. The first run on the [special] Nixon issue (the highest run so far) was 350,000, and we expect to double that. The paper has also served to inform the left and antiwar movement. We feel we have made significant progress toward serving both functions: being an internal organ for the Left and a mass propaganda paper to help build consciousness against the war as well as build for antiwar actions." The AIG is also experimenting with other projects, including monitoring radio stations around the world to produce a daily radio news bulletin, and taping a three-minute news feed three days a week which is distributed by telephone lines directly to about 15 stations around the country. "The reception we have gotten for our material," adds our correspondent, "has been very positive and shows that there is an opening in this country for a serious alternative left radio international news service." While we are in no position to form an independent judgment of the work of AIG, we do applaud this kind of imaginative experimentation. Perhaps the biggest job of the Left in this country for some time to come is going to be to reach new people with a view to creating a real mass constituency, and it must be admitted that up to now this is not a job which has been tackled with notable success. Anyone interested (which of course includes those willing to contribute much-needed financial support) should write to AIG, P.O. Box 4400, Berkeley, Cal. 94704 (telephone: 415-845-7220).

The initial reception accorded to two recent MR Press books will be of interest to readers. They are Fawaz Turki's *The Disinherited: Journal of a Palestinian Exile* and Abdullah Schleifer's *The Fall of Jerusalem*. Both have received serious and generally favorable reviews, and in both cases sales are running better than we had anticipated. But what is especially gratifying is what seems to be a growing recognition that they are performing a function which simply has not been performed before. As one reviewer of Turki writes (in the *Newsletter* of American Near East Refugee Aid, Inc., 900 Woodward Bldg., 733 15th St., Washington, D.C. 20005): "This small book cracks the barrier of silence which for a generation or more has stifled the Palestinian voice. . . . Relatively little has been published about the Palestinians other than scholarly studies, legal briefs, UNWRA reports, and the sterile, statistical prose that find few readers outside the small circle of specialists. The Israelis have recruited . . . eloquent spokesmen. . . . The Palestinians, on the other hand, . . . have had few such articulate advocates in English. That is, until now." We think the same could be said of the Schleifer book. Both can help Americans to understand the realities—and the enormous complexity—of the events which are unfolding in the Middle East and will surely play an increasingly important part in the history of our time.

Another recent MR Press book has *not* received the attention we hoped and expected it would. It is Ian Clegg's *Workers' Self-Management in Algeria*. Perhaps the reason is that the title suggests a narrower and more specialized book than Clegg has actually written. In reality, this is a first-rate theoretical and historical study which throws light on many aspects of contemporary revolutionary processes and movements. We trust that it will come to be recognized as such.

# New Books from Monthly Review Press



by Alfred Rosmer

Introduction by Tamara Deutscher

Rosmer's memoirs of his extended stays in Moscow during the years 1920 to 1924 were first published in 1952. The book was soon recognized both as a prime source on the history of communism and the Soviet Union, and as a fascinating personal document. It was only because of the Cold War atmosphere that the book was not immediately translated.

As a leader of the French delegations to Moscow, Rosmer was at the very center of events during these years. His observations are honest, accurate, and vividly recorded. The narrative is lively, at times dramatic, and enlivened with shrewd and perceptive portraits of the principal leaders of communism.

Translated by Ian H. Birchall.

\$8.95 (cloth)

\$3.75 (paper)

CL2571

PB258X



by Paul Frölich

First published in the late thirties, this is still the only popular biography of the greatest woman in the international socialist movement. In its overall picture, this book remains an accurate and comprehensive account, and has the further advantage of being, not an academic product, but a revolutionary's interpretation, by a man who was a close co-worker of Rosa Luxemburg.

Luxemburg's important part in the founding of the Polish Socialist Party, her role in the debates over the national question, in the 1905 revolution in Russia and Poland, her determined opposition to the First World War, her activities in connection with the founding of the new international and the abortive German Revolution—these and other aspects are clearly dealt with in this book.

Newly translated by Johanna Moornweg.

\$3.95 (paper)

PB2601

by Joao Quartim

This book is a balance sheet of the first three years of armed struggle in Brazil—it explains the military tactics and political strategy on which recent guerrilla actions were based.

Quartim has written, from intimate knowledge, an account of Brazilian armed struggle, and of the class structure and political tendencies found in Brazilian society. He begins by providing a political analysis of the military government and of the new state which it has created. A historical introduction covers the period 1930 to 1964.

He proceeds to a thorough description of the exploited classes under the dictatorship, describes and analyzes the organization, activities, and struggles in the period immediately preceding the armed struggle, and ends with an analysis of the strategic limitations of urban guerrilla warfare.

Translated by David Fernbach.

\$3.45 (paper)

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